

The NATIONAL UNDERWRITER

Life Insurance Edition

In our President's Mail Bag

Chas. E. Becker, President
Franklin Life Ins. Co.
Springfield, Illinois

January 4, 1950

Dear President Becker:

Nineteen Forty-Nine has been a very happy year for the Williams family... the happiest year so far, in fact. Of course, it is because of my association with you and your wonderful company that so many blessings have come our way. I am now driving a 1950 8-cylinder Ford... all paid for. We have bought the lovely 3 bedroom house we have lived in since September, 1948. This home is in one of the very best residential sections of our city (population 60,000).

During 1949 I lacked just 13 sales of averaging 1 sale per day 5 days a week excluding holidays. Total sales 239. Total gross production a little over \$600,000. Last Monday, December 26, was a holiday for most people; however, on my list I had a few names of people that I couldn't see at any other time... so my boy drove me (he is age 17, Joe Jr.) and I made 18 calls had three interviews, three sales and delivered two contracts, and arrived home at 12:00 midnight.

Please pardon these personal references. I believe, however, that you are interested in all of your agents and their welfare. Thanks for all the inspirational messages both in the mail and when I visit the Home Office. You can count on me to help make 1950 the biggest and best year for you and our wonderful company.

Sincerely
JOE WILLIAMS
DECATUR, ILLINOIS



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$770,000,000.00 insurance in force.

FRIDAY, FEBRUARY 3, 1950

CONTINENTAL COMPANIES

General Offices: Chicago, Illinois

Continental Casualty Company

Financial Statement — December 31, 1949

ASSETS

Cash	\$ 16,351,408.29
*United States Government Obligations.....	38,974,847.99
*Canadian Government Obligations.....	5,116,189.25
*Other Public Bonds.....	15,804,392.84
*Railroad Bonds and Equipment Trust Certificates	1,175,892.60
*Public Utility Bonds.....	1,211,792.50
*Miscellaneous Bonds	3,709,424.38
*Preferred Stocks	6,298,267.00
*Stocks of Associated Insurance Com- panies	7,494,033.00
*Other Stocks	12,479,881.00
Mortgage Loans	42,087.64
Administrative Office Buildings.....	3,554,438.95
Premiums in Course of Collection..... (Not over 90 days past due)	8,081,187.75
Accrued Interest and Rents.....	437,592.15
Other Assets	763,057.22

ADMITTED ASSETS\$121,494,492.56

LIABILITIES

Unearned Premium Reserve.....	\$ 33,171,661.23
Reserve for Claims.....	39,705,025.00
Reserve for Adjustment Expense.....	1,375,000.00
Reserve for Commissions.....	1,898,603.26
Other Liabilities	3,331,745.19
Reserve for United States and Canadian Income Taxes	2,107,379.18
General Contingency Reserve.....	10,800,000.00
Capital	\$ 6,000,000.00
Surplus	23,105,078.70

Capital and Surplus..... 29,105,078.70

TOTAL\$121,494,492.56

*Eligible bonds amortized. Insurance stocks valued on basis of pro-rata share of capital and surplus. All other securities at quotations prescribed by National Association of Insurance Commissioners.

Net Premiums written during
1949.....\$90,071,618.20
Increase over 1948 12,403,300.11

DIRECTORS

Wm. McCORMICK BLAIR
William Blair & Company

WILLARD N. BOYDEN
Vice President

ROLLIN M. CLARK
First Vice President and Secretary

M. P. CORNELIUS
General Counsel

EDISON DICK
Director,
A. B. Dick Company

*HARRY W. DINGMAN
Vice President

FRANK R. ELLIOTT
Director, Harris Trust and
Savings Bank

BOYD N. EVERETT
Vice President and Treasurer

CHARLES F. GLORE
Glore, Forgan & Co.

*Continental Casualty Company only

Continental Assurance Company

Financial Statement — December 31, 1949

ASSETS

Cash	\$ 4,032,467.35
*United States Government Obligations.....	26,294,669.50
*Canadian Government Obligations.....	1,210,653.00
*Other Public Bonds.....	1,862,110.88
*Railroad Bonds and Equipment Trust Certificates	9,535,579.66
*Public Utility Bonds.....	39,611,997.65
*Miscellaneous Bonds	24,680,417.44
*Preferred Stocks	7,860,417.00
*Other Stocks	1,105,900.00
Mortgage Loans	15,235,270.43
Policy Loans	4,699,531.64
Home Office Building.....	3,127,790.06
Elgin, Illinois, Housing Project.....	496,072.09
*Other Real Estate Acquired for Invest- ment	2,358,714.46
Net Deferred and Uncollected Premi- ums	5,368,577.86
Accrued Interest and Rents and Other Admitted Assets	886,191.97

ADMITTED ASSETS\$148,366,360.99

LIABILITIES

Statutory Policy Reserves.....	\$116,412,390.39
Pending Claim Reserve.....	4,056,533.85
Premiums Paid in Advance.....	6,077,766.99
Miscellaneous Liabilities	6,079,819.84
Group Contingency Reserve.....	1,665,000.00
General Contingency Reserve.....	1,450,000.00
Capital	\$3,000,000.00
Surplus	9,624,849.92

Capital and Surplus..... 12,624,849.92

TOTAL\$148,366,360.99

*Eligible bonds amortized. All other securities at quotations pre-
scribed by National Association of Insurance Commissioners.
†Properties under long term lease to nationally known corpora-
tions.

Insurance in Force as of December
31, 1949 ("Paid-For" Basis) \$1,226,550,718
Increase over 1948 175,403,712

*NORMAN HOAG
Vice President

ARNOLD B. KELLER
Senior Consultant and Director
International Harvester Company

*F. D. LAYTON
Chairman of the Board, National Fire
Insurance Company of Hartford

*HOWARD C. REEDER
Executive Vice President

*Continental Assurance Company only

*J. M. SMITH
Vice President

R. DOUGLAS STUART
Vice Chairman of the Board
The Quaker Oats Company

STUART J. TEMPLETON
Wilson & McIlwaine

ROY TUCHBREITER
President

The Continental Year Book discloses in greater detail the Companies' operations and financial structure. It will be furnished upon request.

Casualty Insurance

Fidelity and Surety Bonds

Life Insurance

"Guilty" Is Verdict in Arcadia Nat'l Mail Fraud Trial

Jury Finds Against President and Head of Principal Agency

A verdict of guilty was returned in federal court at Chicago in the government's mail fraud trial against Arcadia National of Chicago; its president, Alfred Sylvanus, and V. C. Johnson of Chicago, head of one of its principal agencies.

One effect of the government's success in this trial might be to take the play away from the federal trade commission, whose rules on the conduct of the mail order insurance business are carried in the next column.

The defendants plan to appeal and are scheduled to argue Friday on a motion for a new trial. If the motion is not granted, Messrs. Sylvanus and Johnson will each face a possible maximum fine of \$28,000 and maximum prison sentences of 70 years on the 13 counts of mail fraud and one of conspiracy. The company would also be subject to fine.

Both the prosecution and defense laid great stress on the element of intent.

Disobeyed Department's Ukase

E. J. Ryan, assistant U. S. attorney, in his closing argument emphasized that after the company had been told by the Illinois department to change its advertising, which the department had termed "misleading if not misrepresentative," the company filed a typed copy of advertising free from these faults but never used it and instead went back and did the same things that the department was forbidding.

"If that isn't intent," Mr. Ryan declared, "then you will never get intent short of saying, 'We put our heads together and decided to defraud the public.'"

In support of the conspiracy charge between Mr. Sylvanus and Mr. Johnson, the prosecutor said the evidence showed they had an agreement to violate the department's order, that Mr. Johnson entered wholeheartedly into the scheme.

Not Huddled in a Shack

"The evidence doesn't show them huddled in a shack by the river over a candle, or greeting each other by saying, 'Hello, fellow conspirator, how many victims did you get today?'" said Mr. Ryan. "You never get that, but each knew what the other was doing and there was a perfect understanding, so they conspired and agreed to make these false statements."

As another indication of intent to defraud, Mr. Ryan called attention to Mr. Sylvanus' demeanor on the witness stand, which he termed evasive and attempting to deny the obvious.

"When he was in a corner his answer was, 'Well, we told them to read the policy,'" said Mr. Ryan.

Bearing down heavily on the company's characterization of itself as "old" and "reliable" Mr. Ryan recalled how he had drawn from the defendant Sylvanus the admission that the company was not old. Then, pointing out that surplus was so low that only five of the maximum accidental death benefit claims un-

Mail Order Rules Now Promulgated by FTC

The federal trade commission has promulgated mail order insurance industry trade practice rules containing a number of changes from the original draft. The code is in effect 30 days from Feb. 3. The commission said the rules apply to advertising and sales promotion of all kinds of insurance offered by companies selling without agents licensed in states of sale. It added, however, that promulgation of the rules "is not . . . to be understood as delimiting the jurisdiction of the commission with respect to the business of insurance under the Clayton and federal trade commission acts" as they are affected by public law 15.

The promulgated rules eliminate proposed rule 17 on defamation of competitors, and rule 21 against failure to pay just claims from the original draft. Some of the proposed rules are combined in the new code and some provisions are transposed. There are a number of changes in verbiage. The code includes a new rule 12, providing it is unfair trade practice to advertise benefits payable under "family group" policies "when the full amount of such benefit is not payable upon the death of only one member of the family and non-deceptive disclosure of such fact is not made in the advertisement."

Rule 19 Revised

Proposed rule 19 concerning financial stability of insurer, is revised into new rule 20 of the code "misrepresentation of financial condition." This makes it an unfair trade practice to use advertising "which directly or by implication has the capacity and tendency or

der the policy would have put the company out of business, Mr. Ryan drove home the point that it was not reliable, either.

LOSS RATIOS

Mr. Ryan made much of the fact that Mr. Sylvanus had indicated to Judge Barnes that he knew what the loss ratio was for the type of benefits being offered but later on cross-examination by the government said that he didn't know. Mr. Ryan also stressed Mr. Sylvanus' admission that the mere fact of telling the buyer to read his policy didn't justify telling lies about it in the advertising.

Though Mr. Ryan made his presentation in a factual, straightforward way without courtroom oratory, he became sarcastic in quoting such expressions as "sympathetic, truehearted" from Arcadia's advertising, also "We take your word for your condition"; "families of dependents needn't wonder" where money would come from; "no ifs, ands or buts." It was a different story when the policyholder wanted to collect, said Mr. Ryan.

Would Have to Be in Wreck

The phrase "You can collect \$100 a month for sickness," used in the advertising, did not give the reader any idea that this could only occur in a very unusual combination of circumstances. He pointed out that the \$3,000 accidental death benefit for travel accidents could only occur if the insured were riding on a public carrier which was wrecked.

Arcadia's practice was to phrase its policies artfully to conceal the restrictions, limitations and exclusions which would result in rejection or limitation of claims, Mr. Ryan emphasized. It featured a maximum benefit in its policy, knowing well that it had never paid such a benefit, he said.

As further evidence of intent, Mr.

effect of misleading or deceiving purchasers or prospective purchasers as to the assets, financial condition, improvement in financial condition, relative standing in the industry in comparison with other insurance companies, or as to other financial standing or condition" of the advertising member of the mail order industry.

Proposed old rule 20 "contingent liability of insured," is changed to new rule 21 making it an unfair trade practice for a mail order industry member "to offer for sale or sell any insurance policy under which there is a possible or contingent liability of purchasers of such policies for sums in excess of stated premiums pursuant to the terms of such policy or by reason of the corporate structure of the insurer, unless non-deceptive disclosure of such fact is made to the purchaser thereof prior and reasonably proximate to the consummation of the sale of the policy."

The proposed rule concerning salesmen wanted advertisements is expanded into rule 23 to make it unfair to advertise falsely or in misleading fashion for salesmen with respect to salary, commission, income, earnings, remuneration they may receive, or chances or opportunities for such remuneration.

Ryan recalled that while the policy listed lockjaw among the diseases covered, in another section of the policy there was an exclusion for post-traumatic infection, which is what lockjaw always is. Also, five of the names in the list of diseases were duplicates of other names in the list, which Mr. Ryan said was done just to swell the number on the list.

"Preexisting Condition"

"If that isn't artful, I don't know what is," he observed. He also reminded the jury of the evidence that a policyholder with hydrocele (a small fluid sac) had his claim rejected following an automobile accident injury, though the hydrocele had no connection at all with the injury, the company's "out" being that the man had a preexisting condition. Mr. Ryan pointed out that pneumonia was featured on the list of diseases but was then qualified by the word "lobar" in parentheses which drastically limited its scope, since expert medical testimony at the trial had showed that only 25% of pneumonias are of the lobar type.

Deriding the defense's testimony that the company hadn't known the loss ratios under its coverage, Mr. Ryan pointed out that agency expense, including advertising which it had contracted for, left the company only 35 cents out of each dollar to operate the company with and pay claims and that it had to know what the risk was in order to be able to pay losses and operate on 35% of the premium income.

"I say that characterizes this operation as a fraud," Mr. Ryan declared.

"OUTRIGHT LIES"

He said that the advertising told some outright lies, some half-truths, that it talked about paying big cash money when the policyholder needed it most, but when the time came to pay the way the advertising had promised it didn't pay.

As to the advertising's statement that

(CONTINUED ON PAGE 17)

House Passes Tax on Companies Though Its Legality Is Hit

Amendment Exempts Funds Administered Under Receiverships

By H. C. HALLAM

WASHINGTON—The House passed the bill for life insurance company net investment income taxation, after adopting an amendment offered by Rep. Church, Illinois, exempting from the tax, under certain conditions, companies in receivership, and after a proposal to repeal certain wartime excise taxes had been ruled out on a point of order.

Church said there are two cases that would be covered by his amendment, that of Washington National, which administered the National Life fund of the defunct National Life of Chicago, and that of Lincoln National, which administered the so-called Royal Union fund.

Considerable opposition to the bill was voiced by Rep. Jenkins, Ohio, whose motion to send the bill back to the ways and means committee was rejected; Rep. Hall, N. Y., who moved to strike out all also defeated; Johnson, California, who attacked contracts; Rep. Hale of Maine who fought the principle of retroactive taxation and others.

Hits Constitutionality

There were predictions from Jenkins and others that the proposed law would be attached in the courts on constitutional grounds. However, the measure was explained at some length and defended by Ways and Means Chairman Doughton who promised public hearings on permanent legislation; Lynch, chairman of the subcommittee which recommended the bill; Cooper and Reed, ranking majority and minority ways and means members; Simpson and Eberharter, Pennsylvania, among others.

Rep. Curtis brought out the situation the bill is designed to change was not the result of any conniving by companies or any deliberate attempt to escape taxes. Lynch said Congress never intended to show special consideration to the companies under which they could escape income taxation. He took the position Congress had not been negligent. The House was told of negotiations between the life companies and the Treasury, but that the latter suggested last Congress that the subject be passed over.

Says Reserves Are Set Up

Lynch agreed with Rep. Crawford that the bill takes care of all contingent liabilities of the companies for the three years 1947-49. He said the companies have set up the necessary reserves to take care of these liabilities. Cooper referred to the drop in interest rates as "at least a contributory factor" to the situation that resulted in tax exemption.

Dingell, Michigan, said Congress is loath to risk any possibility of the impairment of the financial status or solvency of the companies. He characterized the understanding reached on

(CONTINUED ON PAGE 19)

Life Company Reports Show Advances in 1949

AETNA LIFE

Premium income of the Aetna Life group in 1949 was \$402,500,439, up 4.3%. For Aetna Life it was \$267,013,067 as against \$255,848,855. Aetna Life's surplus is \$65,969,224, up \$7,747,214.

Aetna Life's contingency reserve increased \$9 million to reach \$50 million. Gains in contingency reserves represent investment gains arising from the profit on sales and from market appreciation.

Assets of the Aetna Life are \$1,642,774,555, up \$142,957,531. Its new ordinary insurance was \$278 million. New insurance on group life and employee plans was \$401 million. Insurance in force in the ordinary department increased \$108 million to reach \$2,577,000,000, and insurance in force in the group department increased \$396 million to reach \$5,610,000,000. Total life insurance in force is \$8,187,000,000, up \$504 million.

Assets include government and municipal bonds, 29.9%; other bonds, 70.1%; stocks, 5.6%; mortgages, 16.6%; real estate, 1.5%.

Interest earned in the life department was 2.92% as against 2.98% in 1948. In computing this rate of 2.92% for 1949, the company made provision for retroactive federal income tax for 1947, 1948 and 1949, otherwise interest for 1949 would have been 3.09%.

Included in the premiums of Aetna Life are A. & H. premiums of \$70,265,461, up \$8,250,707.

There was set aside \$4,346,021 for policyholder dividends. The retirement allowance fund has been increased from \$7,250,000 to \$9,750,000, and \$6,498,331 has been applied to strengthen reserves on life insurance and annuity contracts.

CONNECTICUT GENERAL

Connecticut General's life insurance in force at Dec. 31 was \$3,181,501,590. Life insurance issued was \$303,043,718, slightly less than in 1948. A. & H. premiums, group, increased to \$19,272,239. Annuity income in force also increased. Total cash premium income increased to \$113,626,107. Benefit payments amounted to \$52,728,718, up some \$6½ million.

Surplus to policyholders increased \$7,619,908 to reach \$58,204,739. Of this, \$3,258,000 was added to contingency funds and \$3 million was added to capital by the transfer to that amount from surplus, while \$1,261,908 was added to surplus. Assets total \$759,096,140. Mortality experience continued favorable. Net interest increased from 3.12% to 3.21%.

JEFFERSON STANDARD LIFE

Jefferson Standard Life in 1949 set a record in volume of new business by writing \$123,311,256, bringing total insurance in force to \$894,202,998. Net gain in insurance in force was more than \$73 million. Assets are \$242,758,227, a gain of \$21,613,316 and net investment income was 4.3%. Benefit payments were \$11,209,415, of which \$5,449,249 was paid to living policyholders.

MUTUAL TRUST LIFE

New business for Mutual Trust Life increased 10% to \$36,296,057, bringing insurance in force to \$370,809,190, an increase of \$20 million during the year. Despite the greater amount of insurance in force, death claims amounted to \$1,804,205, an increase of only \$90,864 over 1948. Surplus increased over \$1 million during the year by 13.3% to \$9,158,758. Assets increased 8.2%. There were increases in municipal bond holdings, railroad equipment bonds and mortgages. U. S. government bonds were the only category showing an investment decline.

NATIONAL FIDELITY

National Fidelity Life's assets increased \$793,466 to reach \$11,288,518.

Insurance in force reached \$60,808,626, up \$2,723,870. Ratio of assets to liabilities is 110.5%. Bond investments totaled \$5,075,423 as against \$4,871,587. Mortgage loans were \$3,900,358, against \$3,471,299. Preferred stocks (market value) aggregated \$343,413, against \$290,389. Policyholders surplus increased \$101,559 to reach \$1,070,956.

NORTHWESTERN MUTUAL

Insurance in force of Northwestern Mutual Life passed the \$6 billion mark during 1949, while assets climbed 6.6% to \$2,442,654,354. Sales were 6.7% less than in 1948; \$410,282,000 was placed in force. The termination rate for 1949 was 1.86% compared to 1.42% in 1948. The total insurance in force at the year end was \$6,001,543,000. The death rate was the lowest in history.

Income of Northwestern Mutual in 1949 was \$348,400,000 of which 63.6% was from premiums, 21.9% from investment income and 14.3% from other sources.

Income from investments, after deducting expenses, rose from an average of 3.03% in 1948 to 3.13% in 1949. Mortgage loan investments rose 25%, the largest increase being in residential loans.

OHIO STATE LIFE

Ohio State Life's insurance in force at Dec. 31 totaled \$208,774,611. Assets were \$51,123,888. Policyholders surplus was \$4,763,579, up \$503,856. The company gained \$11,380,329 insurance in force and \$4,166,862 in assets. There was an increase in business of \$1,404,492, the total being \$26,239,681.

The A. & H. department showed a

(CONTINUED ON PAGE 20)

Boston Stood First in Ordinary Gain

The greatest rate of increase in ordinary life insurance sales during 1949 was scored by Boston with a gain of 4%. Los Angeles was second with a gain of 3%. Boston also led for December with a 31% rise.

The greatest rate of increase in ordinary life sales during the past year among the states was chalked up by New Mexico with a 10% gain. Texas with 7% and New Hampshire, 6%. New Hampshire led in December with a 33% increase with New Mexico in second place, up 24% over the corresponding period of last year.

Following are the figures for the largest cities with the first figure showing the December increase and the second representing the 12 month increase as compared to 1948:

Boston, 31% increase in December, 4% increase for the year; Chicago, 5, —3; Cleveland, 10, 1; Detroit, 6, —2; Los Angeles, 4, 3; New York City, —2, —6; Philadelphia, 12, —2; St. Louis, 1, 0.

Suggests Quebec for Parley

WASHINGTON—Assn. of Insurance Advertisers will hold its annual meeting next June at Quebec, at the same time as the annual meeting of National Assn. of Insurance Commissioners, if the A.I.A. directors adopt the suggestion of its general counsel, Wendell Berge.

Form Vaughan & Spencer

The advertising agency of Vaughan & Spencer, Inc., has been formed at Chicago to handle insurance accounts placed with Charles D. Spencer & Associates. The latter firm will continue as a publishing organization.

Gather at Capital on New Crisis in State Supervision

Commissioners, All-Industry Group at Washington on FTC Move

WASHINGTON—The committee of National Assn. of Insurance Commissioners on liaison with federal trade commission gathered here Wednesday on the eve of the hearing Thursday on the proposed FTC rules governing the automobile finance business. The insurance commissioners and the insurance business in general are keenly interested in this auto finance question, especially because rule 4 in the proposed code provides for direct FTC regulation of insurers by stipulating that it is an unfair trade practice for any seller, insurance company, or financing institution to use any false, misleading or deceptive statements concerning insurance rates and coverage, etc. Thus, the FTC program here goes beyond merely undertaking to regulate the seller and would directly regulate insurance.

There was a meeting of the all-industry committee last week in New York on this subject, but only about eight members showed up and after awhile the group adjourned to Henry Moser's room at the Hampshire House. Forbes of Michigan, president of N.A.I.C., wired to all commissioners, outlining the scope of this new crisis facing regulation, and asking them either to communicate to him their views for the benefit of the liaison committee at its meeting Wednesday or else to appear at Washington at that time personally.

The all-industry committee was unable last week to come to any decision and left the matter in the hands of its conference committee. Apparently the industry group felt unable to take a stand without knowing how strong a front the insurance commissioners would set up.

Life Companies, Others to Buy \$220 Million N. J. Issue

A group of 45 investors, mostly life companies, but including some state savings banks and pension funds, have agreed to buy a \$220 million bond issue of the New Jersey state turnpike commission. The agreement was still subject to Governor Driscoll's signing of the bill passed by the legislature authorizing the sale direct to the insurers. The bonds will finance the construction of 118-mile highway connecting North Jersey and the shore.

Wall Street investment brokers waged a strong fight against the legislation. They wanted the bonds sold at public bidding. P.L. Troast, chairman of the authority, told a group assembled for a hearing on the enabling bill, that the direct purchase by insurers, by-passing the brokerage houses, would initially save the authority \$13 million and about the same amount over the life of the issue because of compounded interest on the initial sale. A unique feature of the transaction is that it will allow the authority to issue the bonds as they are needed instead of selling the entire \$220 million at once, which would require paying interest on the entire sum from the beginning.

The U. S. Chamber of Commerce insurance committee will meet at the Ambassador Hotel, New York, March 22.



SHINE MISTER?

"While in a large city recently, I paused on the sidewalk to get a shoe shine from a small boy who peddled his menial services on the busy thoroughfare. As he industriously brushed and polished, I made small conversation with him. I learned that his dad had died suddenly several months before, and the family of four had to shift for themselves.

"I began to see the small boy as a living monument to the human tendency of many to procrastinate, to put off doing first things first—to postpone buying urgently needed financial protection. It dawned on me that this lad was now paying for the life insurance his dad didn't buy.

"I also saw this little fellow as a big challenge—a challenge to inspire every conscientious life underwriter in America to reduce the number of little boys who might one day be forced to patrol city streets calling, 'Shine, Mister?'"

Insurance in Force—January 1, 1950—\$433,912,647

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE

Mismanagement of Investments of N. J. TDB Fund Charged

Citizens Committee Claims Exorbitant Profits on Sales of Bonds to Fund

A committee of New Jersey citizens has charged that the investments of the \$71,846,000 state disability benefits fund were badly mismanaged from August, 1948, to January, 1949. The sum includes \$50 million withdrawn from the state unemployment insurance reserve in Washington and represents the assets behind the state's disability benefits law which became effective Jan. 1, 1949.

The committee upheld charges originating eight months ago from then State Treasurer Dickinson, former insurance commissioner, that the profits of Schwamm & Co., investment firm, from sales of bonds to the fund, were exorbitant and unconscionable.

Chairman of the three-man committee named by the state assembly was August C. Studer, Newark attorney. Carroll M. Shanks, president of Prudential, and James Kerney, editor of the Trenton "Times," were the other members.

Urge Appointing Career Man

The committee recommended that the trustees of the fund be relieved of the investment responsibility and that James B. Sautter, deputy state treasurer, be relieved of his duties in connection with it. It suggested the appointment of a qualified career man as investment manager by the state, and recommended that frequent publicity be given the purchases and sales made by the fund.

It suggested that a copy of its 27-page printed report be sent to federal and state tax officials in the districts where Schwamm & Co. and Tollner & Co., an affiliated securities brokerage firm, filed their tax returns and to federal and state district attorneys.

The committee said total profits made by all dealers through sales to the disability fund were \$330,000. Schwamm & Co. sold the fund \$4,329,000 or 32.7% of the total and made \$230,453 or 69% of the total profits.

Average Profit 5.32% Per Bond

This was an average of 5.32% per bond. The other dealers averaged 1.12% on their sales. The committee says that Schwamm & Co. was selling bonds to the state fund at prices higher than it had advertised them publicly a day earlier and earning higher commissions on the same bonds than other dealers. Government bonds were returning higher interest than the bonds sold, mostly housing issues. The son of the deputy state treasurer was connected with a firm from whom he purchased other bonds. In addition Sautter made considerable profit on the stock market and had personal dealings with the firms from whom he bought bonds for the state fund, the report said. Sautter was relieved of his investment duties in May, 1949. He is now on sick leave in Florida.

Reiber Heads N. J. Council

At the annual meeting of Life Insurance and Trust Council of North Jersey at Newark, these officers were elected: President, Daniel L. Reiber, National State Bank; first vice-president, Charles W. Mercer, Massachusetts Mutual; second vice-president, J. W. Scanlon, Howard Savings Bank; secretary, William C. Beardslee, Lincoln National; treasurer, John S. Bacheller, Fidelity Union Trust Co.

To Require License Exam in W. Va.

Commissioner Crichton of West Virginia has ruled that all prospective agents, solicitors and brokers applying for licenses after March 31 must take a written examination. The ruling is an implementation of provisions in the code giving the commissioner authority to withhold licenses for any person not competent to transact business.

The department has provided that in the case of non-resident life agents and non-resident brokers it will accept passage of an examination by the applicant of an examination given by another state. Separate examinations will be given for fire, casualty, life, A. & H. and automobile, and the agent will be limited to the fields of insurance for which he has passed tests.

The examinations will be given once a month at Bluefield, Wheeling, Clarksburg and Martinsburg.

There is a special provision allowing temporary licenses for 30 days to prospective agents collecting an industrial debit.

Agents who have received licenses prior to the effective date will continue to get renewals without examination. The department has forwarded to companies the question and answer booklet from which questions will be drawn for examination. The commissioner pointed out that it will be the responsibility of the companies to publish the question and answer study sheets and make them available to agents. There will be no additional copies available at the department.

A book in layman's language entitled "How to Plan Pensions" will be published March 1 by McGraw Hill. It is written by Carroll W. Boyce, associate editor of Factory Management & Maintenance. It discusses practically every phase of the pension problem.

Abner Thorp, Jr., Veteran Editor of D. L. B., Retires Feb. 28; H. P. Gravengaard Is Successor; St. Clair, Wohlgemuth Advance

Abner Thorp, Jr., founder and managing editor of the Diamond Life Bulletins since it began publication in 1918, will retire at the end of this month.



Abner Thorp, Jr.



H. P. Gravengaard

under the National Underwriter Company's retirement plan. In the future he will make his residence in New York City.

Succeeding Mr. Thorp as managing editor of the Diamond Life Bulletins is H. P. Gravengaard, who continues as a vice-president of the National Underwriter Company and now becomes executive editor in charge of all publications produced by the Diamond Life Bulletins department. He has been managing editor of the Diamond Life Bulletins Agent's Service.

St. Clair to Edit Agent's Service

H. E. St. Clair, who has been associate editor of the Diamond Life Bulletins now becomes editor of the Diamond Life Bulletins Agent's Service, succeeding Mr. Gravengaard.

George E. Wohlgemuth has been appointed associate editor of the Diamond Life Bulletins and in that capacity will

edit the Debit Management Service of the Agent's Diamond Life Bulletins and assume other important editorial duties. Mr. Wohlgemuth will continue as editor of the Life Insurer.

The fourth member of the Diamond Life Bulletins editorial staff is James E. Stodgel, who continues as assistant editor of the Diamond Life Bulletins Tax Service.

Career of Mr. Thorp

Mr. Thorp, who will attain his 70th birthday next September, has made a definite and far-reaching contribution to the whole cause of life insurance training and education. His name is associated with the educational movement by life insurance men everywhere. After graduating from Amherst College and University of Cincinnati law school, Mr. Thorp practiced law in Cincinnati for several years, and later was an agent and supervisor for Provident Mutual in Cincinnati.

In 1918 he conceived the idea of a bulletin service with monthly supplements to contain principally statistical material. He discussed the project with E. J. Wohlgemuth, then president of the National Underwriter Company, who felt it might have possibilities, but believed it should be field tested. Mr. Thorp made a number of trips, during the course of which he accumulated enough orders to convince Mr. Wohlgemuth that his idea was a practical one. From this small and speculative beginning Mr. Thorp developed his idea, first as a statistical, and later as a statistical and sales service.

STRESSED TRAINING

At the time of the early 20's, the life companies carried on almost no educational and training work among their agency organizations. There were a few so-called life insurance schools, but their influence was not large and they did not embrace the rank and file of agents. Mr. Thorp, through his service and speaking appearances, hammered away for years on the idea that it is only the trained and educated agent who can become the successful agent. He planted the seed of this idea through-



H. E. St. Clair



G. E. Wohlgemuth

out the life insurance industry and followed it up with his interpretation of life insurance as property. He was the first to place heavy emphasis upon the idea that life insurance goes far beyond mere protection, but that it is instead property of the first quality.

Through the years Mr. Thorp gathered up from every conceivable source the best life insurance sales and presentation plans. Drawing these into the Diamond Life Bulletins, he sorted them out by subjects and in this way put together the valuable life insurance sales and training ideas of all of those in the business who had made such contributions. He gave great impetus to the idea of training the life insurance recruit, and from many of his suggestions have sprung the individual training and educating programs being followed by many

(CONTINUED ON PAGE 20)

Green Thumbs

Almost all of us like to try our hand at gardening, even if it is just to raise some potted ivy. Most of us just about get away with it, but we know a few scattered friends for whom plants grow with pleasure. These are so successful that people say they have green thumbs. They are the lucky ones.

But are they lucky? For the most part people with green thumbs combine the "know-how" with quite a bit of hard work. The "know-how" is acquired by studying what experts write and by holding gardening conversations. They pay attention to the plants regularly and continuously. And they learn through making mistakes and correcting them.

Most important of all, people acquire green thumbs by liking gardening with all its problems of light, air, water, and with all its disappointments as well as successes. The growing color of a green thumb is more than on the surface.

The analogy between the gardener and the underwriter is clear enough. Are you really willing to work for success, or do you just think that successful people are lucky?

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM
President

INDEPENDENCE SQUARE, PHILADELPHIA

Bank Loan Plan Debated at L. A.

LOS ANGELES—At the first 1950 meeting of Los Angeles C.L.U. chapter "The Bank Loan Plan of Purchasing Life Insurance" was discussed with John H. Drummond, president Insurance Field Men of America, Nola Patterson's organization, on the pro side and Henry E. Belden, assistant man-

ager of Union Central Life, on the con side.

Mr. Drummond cited the deductions that may be made under the tax laws by using the bank loan plan; pointed out that the purchaser need not depend on exemptions; that by the use of the plan there need be no tax evasion, and that the plan simply makes use of inactive funds. He gave illustrations of how it works and in these illustrations brought out the saving to the purchaser.

Mr. Belden in opposing the plan de-

clared that 20 companies he had contacted looked on it with disfavor. He also said that in respect to general agencies, there were some that favored the plan, but that most of them expressed the same opinion as did company officials. He said that agents did not like the plan, and that Los Angeles agents took that view. He read extracts from several letters from company heads pointing out the opposition of the signer to the plan and the reasons for that opposition.

Harrington Speaks For Equity Outlets At Berkshire Meet

Addressing the annual general agents' conference of Berkshire Life at Pittsfield, Commissioner Harrington of Massachusetts urged that the life insurance companies interested in enlarging equity outlets for investments come to grips with this problem individually if the Life Insurance Investment Committee continues to postpone early consideration of the matter. He pointed out that President George L. Harrison of New York Life in April, 1948, had invited the committee to direct its attention toward the solution of this problem. Mr. Harrington asserted that the privilege of investing in common stocks which is available to companies domiciled in 33 states should be made available to the companies domiciled in New York which are interested in this class of investment.

Hits New York Restrictions

Mr. Harrington charged that "certain large New York insurance companies have consistently opposed any relaxation of the New York law. It seems incredible that an enlightened state like New York, which is the greatest financial center in the world, should continue to refrain from enacting legislation which will permit investment in common stocks. Of course, no one should advocate unsound investments, but investments in equities do not necessarily involve unsound investments. It is encouraging to note the number of proponents of legislation that will permit some investment in equity capital has increased in the state of New York," he declared.

The Berkshire general agents elected Joseph W. Fox of Jersey City, president of the general agents association; S. Samuel Wolfson, New York City, vice-president; Frank Chandler, secretary-treasurer, and Raymond F. Thorne, New York, and R. Maxwell Stevenson, Pittsburgh, members of the executive committee. W. Rankin Furey, company vice-president, made formal announcement of Berkshire's previous heralded entry into the A. & H. field. Mr. Furey introduced Robert P. Diefenbaugh, manager of the new A. & H. department and also announced the appointment of Stanley C. Newton, general agent at Worcester, as assistant superintendent of agencies.



S. C. Newton

Hoult to Franklin Life

J. Hampton Hoult, has been named general agent in Dayton, O., for Franklin Life. For the past 4½ years he has been with New York Life and consistently qualified for honor clubs. C.L.U., he served as instructor for C. L. U. courses 1947-49. Prior to entering insurance he was president of the Dayton Venable Co. and later founded the Dayton Hobby Service and the C. B. Newcomb Co. there.



J. Hampton Hoult

Northwestern Mutual has elected Henry R. Trumbower to the executive committee. He is a professor of economics at the University of Wisconsin and a trustee of the company.

S. S. Pension Role Should Be Minimal

Carrol M. Shanks, president of Prudential, told the Executives Club of



Carrol M. Shanks

Chicago that with pensions fast becoming universal, the government can perform a valuable role through social security by providing minimum amounts, but this role should be confined to minimum amounts. He commented that the government portion could be on a pay-as-you-go basis that would greatly reduce the investment problem in connection with funding. He maintained that the rest of the pensions could be worked out through private enterprise in order to preserve the free, competitive business framework and the voluntary quality of the system. "Inasmuch as private enterprise was increasingly providing pensions long before others were even aware of what was going on, there seems to be every reason to believe that it will accept this responsibility in this whole field," Mr. Shanks commented.

According to Mr. Shanks, the ordinary man needs a yardstick in order to keep his balance amid the conflicting claims to which he is subject today. The five points of a tentative yardstick developed by Mr. Shanks as fundamental are: private property, free and competitive business, government regulation but freedom from government monopoly, the voluntary quality of the system, and the quality of dependence on faith in the economic and social system. He emphasized that he included nothing about guarantees of security or of something from someone else. The only protection included is that of the individual to act freely and employ fully his own talents and ability. "If there is to be security, it can flow in the long run only from this," Mr. Shanks declared.

Cochran Fisher at Detroit

H. Cochran Fisher, Aetna Life, Washington, D. C., addressed the Detroit Life Underwriters Assn. on the importance of having definite objects such as amount of income, volume of business, company conventions, or the C.L.U. designation. The agent, he said, must be a split personality—a tough, hard-driving boss and a loyal employee. He should get an appointment for the first call of the day so as to start out strong, he said.

Originating new ideas is very difficult for most people, but by reading and studying the successful methods of other agents one can get new ideas to present. He recommended a certain amount of cold canvass as a stimulant and said that night calls are necessary to success. Record-keeping is important, he said, observing that for the one period he discarded record keeping the result was disastrous.

Raymond A. DuFour, Pacific Mutual Life general agent, has been named chairman of the campaign fund committee of Catholic Youth Organization in Washington, D. C.

FIDELITY

THE COMPANY BACK OF THE CONTRACT



robinson crusoe would have it Balanced, Too!

Granted enough human population on his island, Robinson Crusoe, wise man that he was, would have discovered the need for founding a Life Insurance Company. To achieve this goal, he would have had to find sufficient people in average normal health, a well-organized method for reaching them, well-spread investment opportunities, and a cheerful, efficient group of co-workers. While solving these problems he would have discovered that in Life Insurance, strength in one category must be supported by strength in the others... for smooth functioning demands balance. Fidelity is a well-balanced company.



The
**FIDELITY MUTUAL
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

97%

of all life applications received in 1949 were issued—and of those issued, only 5 per cent were on a sub-standard basis. This proves the quality of business we're getting, as well as the Company's determination to issue every possible case. If you're looking for a General Agency connection with a Company that really cooperates, write to S. J. Gilbert, Vice President and Director of Life Agencies.

**RESERVE LIFE
INSURANCE COMPANY**
HOME OFFICE: DALLAS, TEXAS

Salesmen Furnished the True Social Security, Smith Avers

Chase M. Smith, general counsel of the Kemper group of insurance companies, Chicago, and long a leading statesman in all-industry councils, delivered the following address before the Insurance Brokers Assn. of Massachusetts:

The question of government regimentation and the threat of government ab-

sorption or socialization of business is one that has been constantly in the minds of thoughtful people for many years.

We never waste our time when we study our own situation and try to see by what method it will be that we may maintain and continue to develop a free and competitive institution of insurance. We must try to analyze the elements that are attractive to our citizens, elements that they can understand and make the public see that these are features of a free insurance business that would be destroyed by government insurance.

One of the key and fundamental costs of insurance under the free enterprise system is the cost of selling. To you it means commissions, to the insurance company it means the expense of doing business, to the insurance buyer it means an important part of his premium cost.

The unthinking are apt to leap to the conclusion that since insurance is a necessity, there ought to be no cost of selling, and with no cost of selling the insurance money would go much further.

The idea will not work. The salesman is the architect of our free enterprise system. The salesman is the architect of our free social security system. By the efforts of our salesmen we have more people insured against more perils, with a greater aggregate of savings for the future than any people on earth. The salesmen have created the desire, they have laid out the plans, they have persuaded the people, one by one and inch by inch, to make themselves secure.

We Owe All to Promoter

The same principles apply in the insurance business that apply in any other business. Destroy or eliminate the salesman and progress dies on the vine. An iron fist or a government decree has never in history created either happiness or security. Try to think of any movement that has improved the lot of our people without a salesman in the picture. Everything we have is the result of the work of a promoter, a man who has made a thing or an idea practical and attractive. Look at everything we have from an automobile, a refrigerator or a hair curler and you will find something a sales genius has put in your hands.

Is there any sense to the idea that it takes free and independent men and a competitive system to introduce new ideas and sell them to the world little by little until they become universal, and at the same time assume that you can standardize on what we now have? Only through a world in which freedom exists in the individual and where there are salesmen who can sell and persuade people to see new instruments or ideas of service can there be progress and an improvement in the lot of the average man. It is just as foolish to try to give social security to a country where the individuals have not been persuaded one by one that it is good for them and that they must individually work for it, as silly as the furnishing of a suit of clothes and a cake of soap to a baboon who lives in an African tree.

In the insurance business you are the salesmen, you are people who sell your



Chase M. Smith

fellow-men the desirability of the insurance idea. You choose the protection they need, you help work out and influence and decide the form of that protection as applied both to property and person.

I happen to be identified with an institution which develops its business through agents and brokers who operate independently. We don't do that because we are forced to, we don't do it for any reason except the very simple one that we believe that it is an economical system that is worth the amount of money we spend for the purpose that the service rendered by this selling is worth the amount of money it costs the policyholders. If we thought there was a better system we would have used it through the years. If it wasn't economically sound it would not have stood the test of time and that is that.

Just to show what we have done and remembering our particular interest in fire and casualty insurance I mention that in 1900 the fire insurance companies wrote premiums of \$182,000,000 and in 1948 the figure was \$2,659,000,000. The casualty figure in 1900 was \$27,000,000 and in 1948 the figure was \$3,321,000,000.

Life Insurance Progress

The 1900 figure for life insurance in force was about 8 billion dollars and in 1948 it was over 300 billion, a figure that has almost doubled within 10 years.

Each year has shown aggregate enlargement and improved functioning of the insurance industry, all the while maintaining the delicate balances and adjustments in human life and in our financial system necessary to keep a civilized society alive and on the move.

The security schemes under totalitarian government equal a loaf of bread and a potato or two, but they mean almost nothing in the creation of a happy and really secure life.

It is the daily wrestling with the complicated problems of peril and protection, the budgets and plans of the customer, by you who make a study both of your business and theirs that produces the constant evolution on a sound basis that we call progress. Take away that part of this service aspect of the

business and progress stops dead in its tracks.

We used to say that it takes a couple of generations from shirt sleeves to riches and back to shirt sleeves in a family. That was because the second generation sought to live on what the first generation had created. Without a system of salesmen and independent creative producers, our whole people might enjoy a brief period of synthetic happiness living off the accumulations of past generations, but in another generation those same people would be back in shirt sleeves with nothing in the way of security or insurance, and it would be even worse then because the opportunity for quick return through creative effort could not be recaptured.

Standardization and uniformity if accepted as governing principles are enemies of progress. What would happen in the dictator state if the commissar in charge of horses, a third cousin of the dictator, discovered a fellow tinkering with a gadget he called an automobile, which would haul people around without horses? A terrible picture would be drawn of the jobless horse carriers, the jobless corn raisers, the jobless buggy whip manufacturers, the terrible danger of headlong speeds in excess of 20 miles an hour. The fellow would be called an enemy of the state, would be



an X-ray . . . what's that?

THIS man's medical examination didn't include an X-ray—because "there weren't no such thing" in 1875, when The Prudential began protecting people. Our representatives' 1875 sales kit didn't include The Prudential's Mortgage Cancellation Plans either—because "there weren't no such thing." But now they have Decreasing Term Riders which can—

Be attached at issue to most Ordinary policies, including those rated Special A or B.

Provide mortgage coverage for 10, 15, 20 or 25 year periods. The extra premiums are payable for only 8, 12, 16 and 20 years, respectively.

Pay off the balance of the mortgage if the homeowner dies, in which case his family gets the home free and clear.

Commissions are paid at the same rate as for the basic policy.



THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

a mutual life insurance company

HOME OFFICE—NEWARK, N. J. • WESTERN HOME OFFICE—LOS ANGELES, CALIF.

banished from good old Boston to spend the rest of his days in exile in the dreary wastes of an outland called Chicago.

What would the commissar in charge of telephones do if he caught a fellow tinkering with a gadget he called a pocket wireless device that would threaten the usefulness of telephone wires? The fool would be liquidated. In a truly efficient state, well managed by bureaucrats, they can't afford to permit people to waste their time in unpatriotic endeavors that most everybody at the time can see are impractical.

Each great change and advancement

in our instruments of living has been worked out by a man who was on his own, who went through for himself the endless succession of experiments and failures and successes, who was likely to be called a fool and a dreamer by those who spoke for the existing method of doing things. After this dreamer had produced his article, another fool sold the idea, little by little, until the new method was taken on as a universally accepted thing, which in turn became a necessity.

The alternative to private insurance is government insurance. We are apt to

fall victim to the idea that we can get something for nothing through the government. In my home town, I pay \$1.50 a month for garbage removal to a private concern. In the next town, the boys tell me with great happiness that they have free garbage removal, but when I ask them to look at the town budget and the tax list and their property valuation, it turns out they pay about double for their public system.

Have you looked at the lineup for unemployment insurance benefits and have you pictured the reduction in cost that would result from the average screening that an insurance company would give to such a claim? You can tell in a minute that there is plenty of margin for taxes, producers' commissions, management expense and every other so-called cost of a private enterprise in the waste that goes down the drain in public administration. I am ashamed to say that it took a state official to tell me that if the insurance companies ran the state unemployment insurance program like they handle workmen's compensation insurance, the cost would be lower, we would have better satisfied citizens, better politics and a better country.

New Jersey TDB Plan Cited

I saw a rather illuminating example of the sort of thing that is indulged in by people who are against our present system of things. A labor official put out a statement that the New Jersey total disability benefits premiums paid to the state by Sept. 30, 1949, under the new law amounted to \$23,270,000 and that during the nine months period the law had been in effect the benefits paid by the state were only \$2,333,000, thus the state made a profit of \$21,000,000, and that private insurance carriers had realized proportionately equal profits.

As you may know, under the New Jersey law, insurance can be carried either in the state fund or with private carriers. What are the facts? Taking the experience of one organization, the New Jersey disability benefits insurance to Sept. 30, 1949, showed that the ratio of claims actually paid by it was 58% of the premiums. Taking into account losses incurred on which there has not been time to make payments or on which payments were not due the ratio of incurred losses was 96%. According to the state's own figures it received notice of 24,416 claims of which only 14,623 had been allowed to Sept. 30, 1949.

State Claims Slower

These facts indicate that it is far more logical to conclude that the state doesn't pay its claims as quickly as the private companies do than to conclude that private companies are making unreasonable profits. The whole history of government insurance schemes will show a tangled mass of red tape, that all progress that is made is due to a necessary comparison of the accomplishments of private enterprise in claim payments, coverage and administrative expenses, that benefits and coverage are frozen at low levels, that the real social security of the people involved suffers as a consequence.

I was told by one state official in one argument over the question of whether or not a state insurance proposal should have a legislative advantage over private carriers, that it was unfair to the state not to give its program a legislative advantage because due to the inflexible character of state personnel requirements and administration the state couldn't get the kind of people or the kind of efficiency that private enterprise produces and therefore it needed other legislative advantages in order to keep up with the procession.

Now I will turn to a discussion of a few collateral items, pertaining to the insurance business, which I will call our foibles.

We are likely to think of social security in terms of pensions or doles or unemployment benefits. I wonder if we have thought how much social security there is in a fire insurance policy or a liability insurance policy. The social

security in a fire insurance policy is that it permits people to invent things that serve the public and to invest their money in stocks or bonds that build a factory and to make jobs for people who want to work there. This is social security for the investor and the worker. After this is done if the building is damaged or destroyed, instead of the destruction of the business and jobs, insurance means the purchase of another building, the investment is saved and the jobs are saved. There is nothing more closely bound to social security than a fire insurance policy.

A liability insurance policy is social security too. A man's own money is the best social security he can have. A liability insurance policy is the protection of that social security and for the purpose of a person who has been injured, the liability policy means payment for the injuries, and that's his social security.

I'll speak facetiously for a moment, I believe that the insurance business as a whole is a soft one. Ever since I have been in it I have thanked my lucky stars that I was not in a business where one had to know very much in order to make a living or in a business where one had to be rugged to survive. I have never seen a business where there was so much complaining when in fact our daily problems are less than those of most businesses. Lugubriousness is an industry characteristic.

Optimism not Justified

Association with insurance men frequently depresses me and would lead me to the belief that my father "done me dirt" a long time ago when as a boy of six years, I used to go along with him while he sold life and fire insurance to some of his fellow citizens in Indiana. At the time this seemed to me an extremely interesting way of making a living because it involved the securing of an application after a protracted argument as to whether or not life insurance was sinful and an attempt to neutralize the visitations of God, or whether or not any man could safely give up any amount of real money in exchange for a simple piece of paper. These negotiations sometimes resulted in a signature on an application, sometimes in the securing of a mysterious piece of paper called a check, and on other occasions resulted in the loading up of a couple of bushels of apples or a team of horses which my father would transport to his domicile in the happy belief that he could fix things up with the insurance company when his account came due. My early conception that this would be a business of vast adventure and unbounded optimism conducted by blithe and gay personalities has not been justified.

Offers Most Stable Field

This business which seems to give our officers, agents and brokers so many perplexities is in fact the most serene that I have seen. Through the depression of the 1930s, a few insurance companies actually collapsed, but in general, I believe, the business furnished the most stable field of employment for those engaged in it, of any I know.

Other businesses and factories completely closed down, their employees went on the dole or on the WPA, their machines and buildings fell to pieces. When they needed money they had to borrow under extremely adverse conditions at banks or under painful commitments to the RFC. Our establishments didn't fall to ruin, our employees didn't go on the dole, we even made money during the depression.

Then came the war, and how did we make out? During the war, one might have got the impression that the lot of the average insurance executive was infinitely worse than that of a marine in a Guadalcanal fox-hole. I know no horror of war that quite equals the inability of an insurance man to get a piece of pie. During the war, we wrote more insurance, collected our money more easily than at any time in history. We didn't

SUMMARY 63rd ANNUAL REPORT 1949

INSURANCE IN FORCE.....	\$1,185,343,042
(Including Deferred Annuities)	
NEW INSURANCE	157,233,097
(Including Deferred Annuities)	
ASSETS	378,313,849
INCOME	76,482,990
CONTINGENCY RESERVE AND SURPLUS....	22,294,543

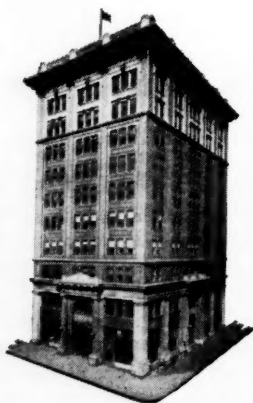
Payments to Policyholders and Beneficiaries since the inception of the Company total \$405,671,854.

THE
MANUFACTURERS
INSURANCE **LIFE** COMPANY
HEAD OFFICE • TORONTO, CANADA

50th year
of service

ATLANTIC LIFE
INSURANCE COMPANY

Richmond, Virginia



A Progressive
Agency Minded Company

have to read 40,000 pages of regulations in order to get a few sticks of lumber or pieces of steel with which to manufacture our policies, we didn't have price ceilings, we didn't have to throw our regular machinery into a vacant lot in order to make something else for the government. We didn't have to lose our customers entirely to other manufacturers as, for instance, the watch industry did. As I see it, we contended with few of the things which drove others almost completely to distraction in an attempt to run their enterprises as a part of the entire war effort.

Now, for another part of the picture: Insurance in America forms a part of our national economic system that is unique and distinctive, so has its development been unique and distinctive. The institution has developed coverages through specialized lines, life insurance companies, fire insurance companies, marine insurance companies, fraternal beneficiary societies and then within the last 30 years the enormous business of workmen's compensation, automobile insurance and other special forms of insurance.

Interneine War Dangers

As these specialists in insurance drove toward their own objectives, it is not to be wondered at that the overall idea of a fully insured public was overlooked by individuals, that fights within the business have done much damage to our prestige and made us vulnerable to the only real enemy we have, which is the idea that insurance would be better handled by the government than by private industry.

In my own experience, I have seen times when the life insurance companies were very complacent above drives to turn the workmen's compensation business over to monopolistic state funds. I have seen accident and health insurance companies very complacent about the troubles in the fire insurance business. I have seen fire and casualty companies with some bitterness contending for the exclusive right to do business in a certain field. I have seen whole advertising campaigns dedicated to no purpose other than an attempt to vilify and discredit some particular branch of the business. I have seen legislative campaigns directed to attempts to bar companies in one branch of the business from the right to do some kinds of business, and I have seen legislative attempts to make a closed shop out of the insurance agency and brokerage system.

It is to this sort of shortsightedness that we owe what we call public misunderstanding of the insurance business and the obvious cure for it is that everyone in the business should simply concentrate upon the simple objective of doing his part of the job a little better, extolling the advantage and explaining the virtues of his own proposition, granting the right of a free choice and a difference of opinion to the prospective customer and accepting the loss of a chance to do business without rancor or anathema.

We are apt to hear in the insurance business a vast lot of lamentations to the effect that the public always seems to misunderstand the insurance business. To talk about public misunderstanding is a way of explaining why some person or some groups of persons has said "Damn the insurance companies." Naturally our insurance gnat-brains assume that if a member of the insurance buying public says that insurance companies are wonderful he has a full understanding and broad insight of the insurance business, but if the same person says that insurance companies are lousy that shows he is narrow-minded and doesn't understand insurance.

Defines Public Understanding

Nothing could be further from the truth, in my judgment. I don't believe that the public as a whole really understands any business. How do you appraise your electric light company? Do you know anything about making electricity? How do you feel about your

telephone company? Do you know anything about running a telephone business? How do you feel about the big department stores and do you know anything about running one? How do you feel about chain grocery stores or an independent grocer and do you know anything about running either of them? How do you feel about banking or the sellers of securities and do you know anything about either business? I can hear a fire insurance man say that his own business is wonderful but that the casualty companies won't pay their claims and that the life companies don't know nothing from nothing. I can hear a casualty man say that the fire companies are hide-bound and old fashioned and that the life insurance people are noncooperative. I can hear the life insurance man say that the life insurance business is conducted on an altruistic beneficent basis but that the fire and casualty business is guided by the law of the jungle. I can hear stock insurance people say mutuals are no good and I can hear mutuals say stock companies are robbers. Wouldn't it be too bad if all of them were right and and wouldn't it be wonderful if all of them were not only wrong, but that they completely believed in that proposition.

Understanding Based on Satisfaction

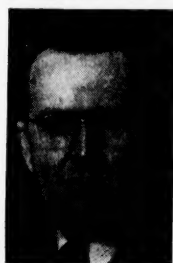
You can see that it is impossible to expect the general public to have an understanding of any great or technical business based upon any knowledge of detail, and that the public understanding of a business is based upon its satisfaction with the way the business works, the external factors which the public can see, the impression of confidence and fairness with which the business is handled, and the public, being the customer, is bound to be right. So I say that instead of offering pontifical judgments that the public misunderstands us we should recognize that the public does understand us and counts us for not only what we are, but what we say of ourselves.

In the insurance business I say we should stand united, that we make no claims that we are protecting vested interest or a preferred position in society. Rather our claim is that you and I and all of us perform a useful and necessary human and economic service which through the years has produced the highest standard of living ever known, the greatest freedom and the greatest amount of real social security, that we make no apologies for what can only theoretically be called an expensive system of doing business, that upon our accomplishments we can with continued broad vision and usefulness go on to further accomplishments in the future. Notwithstanding our magnificent accomplishments of the past in insurance as in every material factor in our lives, we have only made a start. It will be the efforts of the salesmen among us that will carry us to our perfect goal which is a fully insured public in a competitive world of free men.

Pacific Mutual Life Elects Robertson as Treasurer

Pacific Mutual has elected Lyman P. Robertson as treasurer. Mr. Robertson, who also is secretary and associate counsel of Pacific Mutual, takes over from George R. Young, who retires after 27 years with the company.

Mr. Robertson entered Pacific Mutual as assistant counsel in 1933. He served as acting counsel from 1942 until 1945, at which time he became secretary and associate counsel. He is a graduate of the University of Arizona.



L. P. Robertson

BUSINESS AS USUAL ...

We didn't write all the Life Insurance that was sold last year, ... but we got our share of it.

The final figures are not ready yet, but we already know 1949 was a humdinger of a year insofar as new business was concerned, and this Company's remarkable record for growth was continued apace.

The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**

HOME OFFICE
NASHVILLE
NATIONAL BLDG.
TENNESSEE

Laird Actuary of Nat'l of Vermont; 7 Others Promoted

Associate Actuary Morton A. Laird, has been named actuary of National Life of Vermont to succeed Henry H. Jackson, who continues as vice-president and member of the finance and selection committees also serving the

company in a general advisory capacity. Mr. Jackson joined the company in 1918 and has been prominent in the Society of Actuaries and its predecessor organizations. Mr. Laird, a veteran, joined the company in 1940, after seven years with Metropolitan Life. In 1941 he was made assistant actuary and in 1946 associate actuary. His father, the late John M. Laird, was vice-president and actuary of Connecticut General. Newton R. Douglas was promoted from supervisor of settlement agreements to assistant secretary. An army

veteran he previously was for 10 years with New England Mutual.

Andrew J. Brown, inspector of loans, and an assistant engineer in the construction of the home office building, becomes chief inspector of loans.

A. C. Pond, inspector of loans, and former economics professor at University of Vermont, Colby, and U.C.-L.A., becomes supervisor of real estate investments. He is a veteran.

Harry Rossi, an army veteran and holder of a business administration degree from Harvard, becomes security analyst.

Walter G. Nelson and David F. Hoxie, both Harvard law graduates, become assistant counsel.

Dr. Fletcher H. White, army medical corps veteran and former University of Vermont medical school faculty member, becomes assistant medical director. He is a graduate of the university.

Life of Virginia Reassigns McWilliams and Walker

Robert W. McWilliams has resigned as assistant vice-president of Life of Virginia and is now manager of the weekly premium agency in Norfolk.



J. E. Walker



R. W. McWilliams

He succeeds his brother Jesse S. McWilliams, now on disability retirement after 27 years of service, the last eighteen as Norfolk head. Since 1933, Mr. McWilliams served as manager in Staunton, Lynchburg, and Newport News, before going to the home office in 1946 as division supervisor.

J. Ewing Walker, traveling inspector, has been agency supervisor. He joined the company in 1946 as an agent in Richmond. In 1947 his production of ordinary exceeded a half million dollars, establishing a company record for debit agents.

Name Pilot Escrow Officer

Pilot Life has named R. M. Cann escrow officer. He has been with Pilot's mortgage loan department since 1946. Mr. Cann attended Davidson College and received his law degree from Duke. He practiced law at Elizabeth City before serving in the army.

Feder Speaks for Bickel

Lloyd H. Feder, manager for Reliance Life at Cleveland, will replace Robert O. Bickel, National Life of Vermont, Cedar Rapids, on the program of the opening Saturday morning forum of Chicago Assn. of Life Underwriters, Feb. 4. Mr. Bickel has been ill.

Henry Moser on Card for Chicago Union League

Henry S. Moser, Chicago lawyer, who is one of the most prominent figures on the insurance scene in connection with problems dealing with regulation and supervision, will be the speaker at a luncheon meeting of the insurance membership group of Union League Club of Chicago, Feb. 20. Mr. Moser has been in the thick of several interesting situations recently. He will be able to give a firsthand account of the federal trade commission excursions into the realm of insurance legislation, not only in connection with mail order insurers, but also in the automobile finance field. He is at Washington this week in that connection as a member of the all-industry committee. He will also be attending the commissioners zone meeting at Omaha, Feb. 14-15, and will be freshly primed with information from that gathering. He also is loaded with information and observations regarding the Saskatchewan socialistic insurance programs, as he made a firsthand inspection of those operations during the past summer.

A. V. Gruhn to Preside

Presiding at this meeting will be A. V. Gruhn, general manager of American Mutual Alliance, who is generally regarded as chairman of the all-industry committee. Mr. Gruhn and Mr. Moser have frequently provided entertaining parliamentary exchanges with polite references to each other as the senator from Wilmette and the senator from Winnetka, respectively.

Equitable Names Everett at St. Louis, Garner at Memphis

Equitable of Iowa has appointed C. H. Everett, who has been general agent at Memphis, as general agent at St. Louis, succeeding S. L. Ford, who is giving up managerial work because of ill health but will continue as a personal producer. L. M. Garner of the Memphis agency will succeed Mr. Everett there.

Mr. Everett started in insurance with Metropolitan at Albany, Ga., in 1936, later becoming assistant manager at Birmingham, and in 1941 transferring to Memphis. He has been general agent for Equitable at Memphis for four years since returning from naval service. He is president of the Memphis Life Managers Assn. and secretary-treasurer of Tennessee Life Underwriters Assn.

Garner Started in 1936

Mr. Garner joined Equitable at Memphis in 1946 after having been a buyer for a local retail store. Before that he was coach in the school system at Tupelo, Miss. He is a veteran of the last war. He has headed a regional agency unit of the Memphis agency and has also maintained a personal production of well over a quarter-million for the last three years.

Among Recent Mass. Mutual Promotions



W. M. Benton
2nd Vice-President



R. J. Ardison
Supt. of Agencies



M. A. Garlock
Director of Investment Research



R. H. Long
Associate Counsel

FEDERAL LIFE

Resources as of January 1, 1950

Cash in Banks and Offices.....	(2.4%)	\$ 713,573.04
United States Government Bonds.....	(24.5%)	7,378,691.00
Municipal Bonds.....	(1.9%)	565,018.00
Public Utility Bonds.....	(18.5%)	5,542,111.00
Industrial Bonds.....	(1.1%)	343,636.00
Preferred Stocks and Federal Savings & Loan Association Investment Certificates.....	(2.0%)	590,664.00
First Mortgage Loans on Farm and City Property..	(37.6%)	11,303,041.13
Real Estate Sold Under Contract.....	(7%)	214,346.37
Home Office Property.....	(1.9%)	566,000.00
Other Owned Real Estate.....	(1%)	17,500.00
Loans to Policyholders (Secured by Reserves Held to Their Credit).....	(5.8%)	1,747,171.59
Premiums in Course of Collection (Covered by Policy Reserves).....	(2.7%)	812,688.00
Other Assets.....	(8%)	229,367.27
Total Resources of the Company.....	(100.0%)	\$30,023,807.40

PURPOSES FOR WHICH THESE RESOURCES ARE HELD

Policy Reserves (Computed on Legal Basis).....	(78.0%)	\$23,415,553.55
<i>(This amount, with interest and future deposits, insures the payment of all benefits provided in policies)</i>		
Reserves for Payments to Policyholders.....	(6.6%)	1,976,975.17
<i>(This represents funds held under policies for future payments, as income, in monthly or other installments)</i>		
Reserves for Claims Reported but Proofs Not Yet Received.....	(6%)	198,395.45
Dividends and Coupons Payable to Policyholders....	(1.1%)	327,703.52
Claims Due and Unpaid.....		None
Premiums Paid in Advance and Unearned Interest..	(9%)	261,307.21
Reserve for Taxes which will come due in 1950.....	(6%)	176,294.50
Miscellaneous Liabilities.....	(2.1%)	645,046.66
Liabilities.....	(89.9%)	\$27,001,276.06
Capital.....		\$1,000,000.00
Unassigned Surplus.....		2,022,531.34
Total Additional Funds Held for Protection of Policyholders.....	(10.1%)	3,022,531.34
Total.....	(100.0%)	\$30,023,807.40

Federal Life Insurance Company

Chicago, Illinois

Isaac Miller Hamilton
Chairman

L. D. Cavanaugh
President

An Anchor to Windward

There's a pleasant feeling of security in "an anchor to windward." That's particularly true in the feeling of safety which life insurance engenders. Freedom from fear of leaving the family in want plus the knowledge of its value in time of need makes life insurance a true anchor to windward to hold one safe and secure in this world of unknown tomorrows.

General Agency Opportunities

Brokerage Business Accepted



Girard

LIFE INSURANCE COMPANY
PHILADELPHIA 6, Opposite Independence Hall

Applied:
The Texas upheld a tri- applicant who insurance but policy was co- mium had b- deduction cas- mium in the duction order- it was a rated- of rating had- ase was Ha- life.

National, Vermont, Offers Variety in Agents' Contracts

National Life of Vermont has introduced two new agents' contracts and a commission redistribution amendment. The basic contract of 50% the first year and nine vested 5% renewals has been retained for all those who wish it.

The career agents' contract has been developed which provides the 50 and nine fives, but in addition adds 2% persistency fees payable after the normal commission has expired.

Persistency is paid until 65 when the pensions begin. On the death of the agent, the 50 and nine fives become fully vested and in the event of termination other than by death, or association with another National Life general agent, renewal commissions not yet received for the eighth to 10th policy years revert to the company.

All present agents of the company have the opportunity of electing this contract until March 9, 1950, and persistency fees start immediately. Persistency fees are dated back to May 1, 1949. Production qualification for payment of these persistency fees is \$100,000 of new production the preceding year or \$300,000 in the previous three years, coupled with premium paying business in force of \$1 million. Where disability prevents meeting these qualifications, the plan provides for their waiver. For those agents who retire before 65, persistency fees will be payable to 65 and the production and income condition waived.

The builder's contract is designed to help new agents in the early years. Renewal commissions are concentrated in the second, third and fourth years. The commissions are 50% the first year, 15% the second year, 10% the third year, 5% the fourth year and no further commissions from then on. These commissions are completely vested. This contract is limited to the first three years of the agent's service. At the end of three years, or earlier if desired by the agent, he may transfer to the career contract.

Redistributes Early Take

The commission redistribution amendment can effect a redistribution of early commissions on any contract except the builder's contract for new agents. This amendment is designed to meet the need of larger producers who desire to have commission payments spread over a number of years, rather than to receive the largest portion the first year.

The amendment states that where the policy year commission rate is 30% or more, the rate will be reduced by 16% and the renewal rate for the second, third, fourth and fifth policy years increased by 5%. Where the commission rate is between 20% and 29%, 8% will be deducted from the first year rate and 2½% added to the renewal rate of the second to fifth years inclusive. On the normal 50 and nine fives commission rate, the amended rates are 34% for the first year, four at 10% and five at 5%.

Agents of any class now under contract have the option of remaining on their current contract or of executing the new forms if they wish.

Applied; Died; Covered

The Texas court of civil appeals has upheld a trial court decision that an applicant who had applied for \$20,000 of insurance but died before delivery of the policy was covered even though no premium had been paid. It was a salary deduction case and the amount of premium in the application and in the deduction order had been left blank, since it was a rated case and the exact amount of rating had not been determined. The case was Hall vs. Republic National Life.

W. T. Grosscup Is Girard Chairman

Walter T. Grosscup has been elected chairman of Girard Life. He has been

a director for a number of years and president of Bankers Securities Corp., of Philadelphia, a director of Lit Brothers, with whom he served as executive vice-president for a considerable time, a director of City Stores, one of the largest merchandising organizations in the United States, and of a number of other financial and commercial corporations. He is a director in the Philadelphia Chamber of Commerce, the Philadelphia safety council and the highway traffic board.



W. T. Grosscup

OBSERVATIONS

Free Anti-Histamine

A number of life company home offices are offering free to employees the new anti-histamine cold tablets. Some are using the commercial type tablets while others have prescriptions from their own medical departments. The pills are apparently satisfactory and the reduction in colds and lost work-days make up for the expense. For most companies this practice is part of the other medical services already provided employees.

Tight Little Powerhouses

The surest evidence that the life insurance agency field is emerging from post-war reorganization period into a more stable period of consolidation is the growth in the number of small powerhouse agencies. Such agencies are seldom composed of more than five or six men, plus a general agent. Each of these men can be depended on for \$500,000 or better production in a year. Each man is a comparative veteran in the business. The agency head is frequently as stout a producer as his men.

The advantages of such a tight little agency are obvious. Very little recruiting or training has to be done. If any new men are added to the firm, they are persons of experience and an established clientele. The overhead for such an establishment is a minor element. They can be housed in a small office, not necessarily in the most impressive part of town. Each man is his own supervisor and technical consultant. One girl is frequently all that is required in the way of office help.

Atomic Energy and Claims

Claims men are interested in the increased use of atomic products in manufacturing plants and pharmaceutical industries, etc., in anticipation of possible disability or accidental death claims which may arise from it. Few claims have developed so far but they can be expected to increase, some claims men think. This question is more immediate than the ultimate problem of atomic war and is something which may develop soon as atomic energy is increasingly applied to normal everyday use. One claims man says a variety of diseases may develop from this exposure to fissionable material. It may be something like the radium watch cases when workmen who were preparing the dials contracted various diseases. Many died before doctors learned what was killing them.

Harold L. Banta, manager for the State Farm companies at Muskegon, Mich., has been promoted to district manager for Muskegon and Oceana counties.

When A Father

wants to give his children a gift of lasting value (and what father doesn't), Guardian representatives can offer him a choice of a wide variety of attractive juvenile life and endowment plans.

Written from birth where allowed by state law, these contracts make a little premium go a long way in providing values that will guarantee a youngster a good start in life.

The contracts are available with the full face amount payable if death should occur after the policy anniversary nearest age 1 in most states—or, in New York and certain other states, with provision for the return of premiums plus compound interest in event of death of the child before attaining age 10.

Add the applicant's waiver of premium, which is effective for either death or disability, and you have a juvenile kit that means extra sales for Guardian fieldmen and women.

P. S. —

General Insurance Brokers

have a ready means of increasing their premium volume with these attractive juvenile policies.

Call or write the nearest Guardian office for full details on these low-cost contracts.

The
GUARDIAN
LIFE INSURANCE COMPANY
OF AMERICA

50 Union Square

New York 3, N. Y.

EDITORIAL COMMENT

The M.I.B. Is an Open Book, Too

The recent announcement of the election of new officers by the Medical Information Bureau was in pleasing and significant contrast to the one-time hush-hush attitude that the life companies used to maintain about this important adjunct of their business.

As with most attempts at large-scale secrecy, this attitude of concealment only defeated its own ends. The less the public knew about the M.I.B. and its operations, the more fantastic became the rumors about it. For lack of correct information, these rumors became widely accepted as facts.

For example, probably a large segment of that part of the public which has ever heard of the M.I.B. still believes that it keeps a record of company actions on applicants who are rejected or rated up. Probably a good many life insurance people outside of the underwriting departments have the same idea. Yet the M.I.B. does not record company actions at all. It keeps a file of what the applicant's impairment was that caused his policy not to be issued as applied for, but the M.I.B. can give no clue to the next company he applies to as to what the first company did in

the light of the impairments its examinations disclosed.

A decade ago when Senator O'Mahoney was investigating the life companies with his temporary national economic committee there was much buzzing when it was learned that TNEC was going to drag the M.I.B. out into the light of day and expose its workings to the public view. The committee's examiners figuratively rubbed their hands and congratulated themselves on having something pretty juicy. So secret had been the M.I.B.'s operations that undoubtedly the investigators figured they could make quite a show of unmasking the conspirators, but actually this phase of the investigation turned out to be very tame.

The lesson from the M.I.B. case is obvious. There are always people in any business who feel that the less said about this or that situation the better. They fail to realize that if something is of enough importance so that disclosure matters much one way or the other, the very fact of concealment gives rise to unfounded reports that do vastly more damage than could the frankest possible disclosure.

History-Making Verdict in Arcadia Trial

The jury's verdict of guilty in the mail fraud trial at Chicago of Arcadia National Ins. Co., its president, Alfred Sylvanus, and V. C. Johnson, who headed one of its principal agencies, may seem harsh but this feeling is doubtless due to the fact that it was the first such case in the insurance business actually to be tried. Defendants in earlier cases had pleaded nolo contendere and were fined. The Arcadia case is a precedent-setting one.

There could be little doubt from the uncontroverted testimony that Arcadia's system was to promise as much in its advertising as it felt that the laws of Illinois, its state of domicile, would let it get away with and to adopt a rigidly technical defense against claim payments where it thought it had any possibility of an "out" or could settle for a trifling amount.

If calling such a practice fraud seems to be stretching the definition of that term pretty far it is largely because of the element of novelty of such prosecutions in the insurance field.

The trial is a history-making one. If the government can get guilty ver-

dicts on the type of evidence it presented in Judge Barnes' court in Chicago the problem of cleaning up the bad spots in mail order insurance may be much simpler than has hitherto been assumed. The government's case was not weak nor its victory to be regarded as a fluke, unlikely to be repeated in other similar cases. The big point is that the government won without being able to show any direct evidence of what was in the defendants' minds.

Assistant U. S. Attorney E. J. Ryan thought the contrast between the company's advertising and its claims-paying performance—or, in 70% of the claims, lack of performance—was enough to show that the defendants were out to defraud the public. The jury agreed.

Mr. Ryan hammered hard on the point that telling a buyer to read his policy doesn't give an insurer license to "tell lies" about the policy in its advertising. The contrast between the promise and the performance was too great for the jury to swallow.

If all the government has to do in future cases is to offer similar proof of the disparity between advertising and

claim practices, of resistance of a high proportion of claims and whittling down of many that are paid, of advertising beamed at the economically and legally unsophisticated who would be unlikely to understand the wording of the policy restrictions, then the government may have a much more potent weapon against questionable practices in the

mail order field than even the measures which the federal trade commission has been preparing.

It was obvious that Arcadia National was pushing the doctrine of "caveat emptor" pretty close to its limit. It looks as if things have now been fixed so that the emptor won't have to caveat so closely.

PERSONAL SIDE OF THE BUSINESS

Francis H. Low, assistant vice-president of Home Life of New York, celebrated his 15th anniversary with the company in January. Mr. Low, who has been active in the group department since its inception last year, is in charge of developing group clientele relationships. He was named assistant vice-president early last year after serving for three years as manager of agencies.



Francis H. Low

Jack Laffer, associated with his father in the Henry W. Laffer agency of Northwestern Mutual at Wichita, a former radio production manager, gained considerable recognition for writing the radio show used for a national hookup of 560 radio stations in January commemorating the 35th anniversary of Kiwanis International.

Harold Bahn, supervisor of the pension trust department of the Buffalo agency of John Hancock, recently celebrated his 35th anniversary with the company. He joined John Hancock at Albany.

Richard P. Smith, assistant counsel of Phoenix Mutual, has been appointed executive secretary for Hartford county of the citizens committee on state government. He will devote his time in the next two months to organizing area committees throughout the country to publicize the work of the Connecticut commission on state government.

Joseph H. Collins, general counsel of Metropolitan Life, is chairman of the life insurance division of the New York City Legal Aid Society's 1950 campaign.

President Truman scotched rumors that **Lewis W. Douglas**, chairman of Mutual Life, will retire shortly as ambassador to Great Britain because of ill health. The president reported that Mr.

Douglas, who is now recuperating in the U. S., is recovering rapidly and will be back in England on the job within 60 days.

J. Edward Hedges, professor of insurance at Indiana University, will be on leave for the second semester to go to University of California at Los Angeles on a visiting professorship. He will be back at Indiana University for the summer session that starts in June.

Maynard Garrison, former California insurance commissioner, who resigned in 1947 to become vice-president of Fireman's Fund, has now resigned from that position to become associated with a new legal firm of Wallace, Garrison, Norton & Ray of San Francisco.

Henry J. Gilbertson, the Penn Mutual general agent at Fargo, has been elected a director of the Dakota National Bank.

Stanley E. Smithson, district supervisor for the Campbell & Vineyard agency of the Aetna Life at Fort Smith, Ark., was honored with the "Silver Beaver" award from the Boy Scouts of America.

Completing Plans for Three A.L.C. Regionals in April

Preliminary arrangements have been completed for three regional meetings of the American Life Convention during April. They have been scheduled for April 12-13 at Hotel Fort Des Moines, Des Moines, Ia.; April 19-20 at Hotel Patten, Chattanooga; April 24-25 at Shamrock Hotel, Houston.

The meetings will follow the pattern of previous years. There will be no formal program and the full two days will be given over to open discussion.

Society of L.O.M.A. Graduates will hear H. G. Kenagy, vice-president of Mutual Benefit Life, discuss "Making Friends for Business" at a Feb. 9 dinner meeting in New York City.

SHOW 1949 INSURANCE RESULTS

	New Bus. 1949	New Bus. 1948	1949 Inc. in Force	1948 Inc. in Force
Acacia Mutual	138,199,769	121,659,613	81,891,282	73,908,329
Bankers, Iowa	153,425,881	171,594,793	66,187,081	94,400,491
Central, Iowa	34,981,567	41,350,963	20,798,651	29,853,929
Equitable, Iowa	109,982,871	113,269,076	59,144,457	68,146,875
Great Southern	75,357,846	84,101,492	31,171,310	36,057,027
Life of Virginia	191,939,792	208,605,941	54,568,792	82,181,547
Manhattan	30,714,618	27,146,424	12,781,626	11,355,254
North American, Canada	60,585,804	67,102,824	33,716,931	42,109,412
Ohio National	64,780,237	64,788,068	34,336,333	34,300,058
Provident Mutual	97,570,150	105,156,507	35,711,839	48,157,069
Reliance, Pittsburgh	99,225,383	107,476,094	45,074,784	62,620,989

*Includes \$16,956,954 reinsurance of Illinois Life.

THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd.,

EDITORIAL DEPARTMENT: Managing Editor: Robert B. Mitchell. News Editor: F. A. Post. Associate Editor: Levering Cartwright. Assistant Editors: Richard J. Thain, John C. Burridge.

OFFICERS: Howard J. Burridge, President and Secretary. St. Cincinnati 2, Ohio. John Z. Herschede, Treasurer. 420 E. Fourth

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—432 Hurt Bldg. Tel. Walnut 9501. Ernest E. Hess, Southeastern Manager.
BOSTON 11, MASS.—210 Lincoln St. Tel. Liberty 2-1402. Wm. A. Scanlon, Vice-Pres.
CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Mgr. R. J. O'Brien, Advertising Mgr. R. L. Rudd, Circulation Mgr.
CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. George C. Roeding, Asso-

ciate Manager. George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.
DALLAS 1, TEXAS—802 Wilson Bldg. Tel. Prospect 7-1127. Roy H. Lang, Southwestern Manager.
DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.
DETROIT 26, MICH.—532 Lafayette Bldg. Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg. Tel. Victor 9157. William J. Gessing, Resident Manager.
MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.
NEW YORK 7, N. Y.—99 John St., Room 1103. Tel. Beekman 3-3958. Editorial Dept.—Eastern Editor: Kenneth O. Force; Assistant Editor: Donald J. Reap.

Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.
PHILADELPHIA 9, PA.—123 S. Broad Street. Room 1127. Tel. Pennypacker 5-3706. E. H. Frittschman, Resident Manager.
PITTSBURGH 22, PA.—503 Columbia Bldg. Tel. Court 2494. Jack Verde Stroup, Resident Manager.
SAN FRANCISCO 4, CAL.—507 Flatiron Bldg. Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager.



The suran a trag Alber 71, dent 2nd of E ciety, died o hemon ly aft brief About ty m repre the ins attend ner. A table v facultie to have Blanche Columb retired year af tion; L insuran office o sioner f Mr. L bers to offered obtained 30 days. Goerlich and the presentin den col resumed Mr. B in 1894 came in 1920 an serving the comp vice-pres 1944, he ance. He wa Coal Min He wa years se Life Age time was Insurance in the ar life insur this is th training p

ROY T doah Life five years 20 years p illness.

GROV for more t Michigan and a ser work on a joined the a member ously from a year in I. P. R General L in a Galv seriously ill RICHAR ager for Green Bay there. He for 34 year WILLIA dent of J agents for died at his was a forme City Life M ident of the writers Assn A. C. (T) million dol Life, died i Waco after

DEATHS

A. G. Borden, 71, Retired Equitable Officer, Dies at Insurance Dinner

The annual faculty dinner of the Insurance Society of New York ended on a tragic note when Albert G. Borden, 71, society president and retired 2nd vice-president of Equitable Society, collapsed and died of a cerebral hemorrhage shortly after making a brief talk.

About 125 faculty members and representatives of the insurance press attended the dinner. At the head table were Dean John Krout, graduate faculties, Columbia University, who was to have been the guest speaker; Ralph Blanchard, professor of insurance at Columbia; Miss Maude E. Inch, who retired as secretary of the society last year after 40 years with the organization; Dean Arthur C. Goerlich of the insurance school, and D. S. Otis of the office of the New York state commissioner for higher education.

Mr. Borden had urged faculty members to obtain society members and had offered a prize of \$25 to the one who obtained the most members in the next 30 days. He had resumed his seat, Dean Goerlich had introduced Mr. Blanchard, and the latter was on the point of presenting Dean Krout when Mr. Borden collapsed. The meeting was not resumed.

Mr. Borden joined Equitable Society in 1894 in the agency branch. He became inspector of agencies at large in 1920 and agency instructor in 1922, serving also as educational director of the company. In 1928 he was made 2nd vice-president. Though he retired in 1944, he continued to write life insurance.

He was also president of the Borden Coal Mining Co. of Maryland. He was a founder and for several years secretary-treasurer of the former Life Agency Officers Assn. and at one time was chairman of National Life Insurance Day. In 1918 while serving in the army he prepared a course on life insurance for troops overseas and this is the basis of the present formal training program for Equitable agents.

ROY T. SMITH, manager of Shenandoah Life at Chattanooga, for the past five years and with Metropolitan Life for 20 years prior to that, died after a short illness.

GROVER A. TOMPKINS, 64, for more than 11 years a member of the Michigan department's examining force and a senior examiner, died while at work on an examination at Detroit. He joined the department in 1937 and was a member of examining force continuously from that time, except for about a year in 1940-41.

I. P. RUSSELL, manager American General Life, Nacogdoches, Tex., died in a Galveston hospital. He had been seriously ill since November.

RICHARD J. PEPLINSKI, 51, manager for Wisconsin National Life at Green Bay, Wis., died at a hospital there. He had been with the company for 34 years.

WILLIAM R. COLLINS, 79, president of Johnston & Collins, general agents for Travelers in New York City, died at his home in New Rochelle. He was a former president of the New York City Life Managers Assn. and was president of the New York City Life Underwriters Assn. in 1926-1927.

A. C. (TEX) BAYLESS, 56, former million dollar producer for Southland Life, died in the Veterans hospital at Waco after several years' illness. He

joined Southland in 1929, sold, \$1 million his first year and averaged that amount for 20 years.

WILLIAM A. FREEHOFF, 60, general agent of Wisconsin Life, who also operated a local agency at Waukesha, Wis., died there.

Ohio State Holds 50th Year Rally

Ohio State Life held its half-century convention in Columbus. Speakers in addition to President Claris Adams and Frank L. Barnes, vice-president and agency director, and other members of the home office staff, were: Vernon Brown, Marion, O.; D. A. Sheidler, Columbus, Donald Ham, Toledo; Clifford Amos, Lexington, Ky.; Ralph Stewart, Muncie, Ind.; George Smith, Toledo; Regis Guyer, Harrisburg, Pa.; Wayne Lewis, Columbus, and Vernon Smith, Wheeling. Speaker at the banquet over which Mr. Adams presided was Charles J. Zimmerman, associate managing director L.I.A.M.A.

The Akron agency, headed by Robert Patterson was presented the president's trophy, won in the campaign last fall in honor of Mr. Adams. Mr. Patterson also was the leader among personal producers. Other agencies receiving awards for equaling or exceeding their paid-for quotas in the campaign were Michigan, Lexington, Mansfield, Cleveland, Marion, Wheeling and Muncie.

Watches Presented

Watches were presented for five consecutive years of production club membership to A. P. Mazza, Harrisburg; Donald E. Ham, Toledo; Robert Patterson, Akron; Emil Hein, Bakersfield, Cal.; E. Paul Schnepel, Fort Wayne; Frank L. David, Los Angeles; Omer F. Jacquot, Toledo; Richard G. Good, Columbus; Paul L. Craig, Fort Wayne; Robert Sine, Lafayette, Ind.; Mrs. Opal Menchofer, Celina, and Clement E. Plack, Minneapolis.

Mr. Brown, who was the company's leading producer last year, was elected president of the President's Club and A. E. D'Emilio, Pittsburgh, secretary. Regis Guyer of Harrisburg, Pa., was chosen president of the Honor Club and Gordon Chapman, Geneva, secretary.

Kent Agency Has Best Year

The Sidney A. Kent ordinary agency of Prudential at Chicago, during 1949 produced the largest paid volume in its 45 year history. The 1949 record was 27% over the previous high scored in 1948. George Miura of the agency led all ordinary agents in the central region and finished 14th in the country.

Langdale, Fronk, Beardshear Now Ohio Nat'l Officers

Ohio National Life has given officer status to W. G. Langdale, agency secretary, Guy L. Fronk, purchasing agent, and Albert N. Beardshear, who becomes director of sales promotion.

Mr. Langdale joined the company in 1927 while studying at University of Cincinnati, and soon afterward joined the company full time. He has served in many different departments.

Mr. Fronk joined the company in 1933, serving as purchasing clerk until 1942 and becoming purchasing agent on his return from the air force in 1946. He attended University of Kentucky and Western Kentucky State College.

Mr. Beardshear joined Ohio National in 1946 after having been secretary-manager of the Newark, O., Chamber of Commerce. He graduated from Denison University in 1938. A naval veteran, he was picked as the outstanding young man of 1940 by the Newark Chamber of Commerce.

John B. Cartwright has been appointed assistant manager of the Seattle agency of Occidental Life. He joined Occidental in 1947. Prior to entering

life insurance he was employed by the Washington state unemployment corporation division and later was contact representative with the veterans administration. He is an army veteran.

Present Certificate to 32 Purdue Graduates

Certificates were awarded to 32 for completion of the one-year training program at Purdue. They received their certificates at a dinner meeting this week.

Hal L. Nutt, recently named as director to succeed Daniel P. Cahill, was the principal speaker. Prof. C. W. Beese, director of the technical extension division, presented the certificates. Awards for the greatest volume of business during the year and for the largest number of lives insured were presented to several men by Virgil W. Samms, assistant director. William D. Daniels, assistant director, presided.

Goldman Leads Central Area

The LaSalle agency of Prudential, managed by A. Van. Goldman, led all ordinary agencies of Prudential in the central region at the end of the year

on the basis of accomplishment on proportion to allotment in each of nine categories. The gross paid-for business for 1949 was 10% ahead of 1948 and a gain in net increase for the year was shown of 8%.

Benz Equiowa Auditor; Rice Is Field Supervisor

Fred P. Benz has been promoted to auditor of Equitable Life of Iowa and John E. Rice has been appointed a field supervisor.

Mr. Benz succeeds H. H. Hatcher, who is retiring after 31 years with the company. Mr. Benz has been with Equitable since 1915, except for service in the first war, and has been assistant auditor since 1945.

Mr. Rice, a veteran of the last war, is a graduate of Gettysburg College and has been with the Washington, D. C. agency since 1946.

For the seventh consecutive year Robert E. Watson, leading northern California personal producer for Occidental Life, has qualified for the Million Dollar Round Table.

STILL AVAILABLE!

DO YOUR PROSPECTS still ask for the Income Disability clause in their life insurance?

Ours do. And we still write it—the old-fashioned kind!

Our disability clause protects men to age 60 and women to age 55. It pays \$10 monthly disability income to age 60 and \$5 monthly thereafter. Waiting period only four months.

And we issue on Term plans, too!



Occidental Life

INSURANCE COMPANY of CALIFORNIA

V. H. JENKINS, Senior Vice President

"WE PAY AGENTS LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO"

LIFE AGENCY CHANGES

Word New Franklin G. A.

Walker Word has been appointed general agent at Athens, Ga., by Franklin Life. He entered life insurance in 1935 with National Life of Vermont at Atlanta. In 1945 he joined Mutual Life as assistant manager there.

Travelers Makes 7 Managerial Changes

Travelers has made several managerial changes.

George T. Stout has retired as manager at Newark and is succeeded by Chalmer C. Cox, who has been manager at Indianapolis. Harry O. Anderson, who has been assistant manager at Detroit, replaces Mr. Cox.

Herbert G. Behan, who has been manager at Providence, has been moved to the larger Boston office as assistant manager. Cyril J. Kane, who has been assistant manager at the Empire State branch in New York City, succeeds Mr. Behan.

Herman N. Herrick, formerly assistant manager at Washington, is now manager at Springfield, Mass., succeeding Malcolm H. Foskit who has been promoted to the home office staff as an agency assistant.

Mr. Stout joined Travelers as a field assistant at Omaha in 1923 and was named assistant manager there in 1925. That same year he was named manager at Providence, where he remained until 1928 when he went to Newark.

Mr. Cox went with the company as a field assistant at Peoria in 1929. He was made assistant manager there in 1934 and in 1938 became associate manager at Indianapolis. He was appointed manager there in 1939.

Mr. Anderson has been with Travelers since 1928 when he joined the company as a field assistant at Detroit. He was named assistant manager there in 1941.

Mr. Behan joined Travelers as a field assistant in 1943 and also served as an assistant manager at Hartford. He was named manager at Providence in 1947.

Mr. Kane was appointed field assistant at New York City in 1943, becoming assistant manager in 1945.

Mr. Herrick went with the company in 1944 as a field assistant at Washington. He was made assistant manager there in 1946.

Mr. Foskit joined the company in 1942 and after attending the home office school went to Springfield as a field assistant. He was named assistant manager there in 1944 and manager in 1947.

New England Leaders

With the addition of 25 who qualified for the first time, membership in New England Mutual's 1950 leaders association was increased to 158. Full membership is contingent on a yearly volume of \$500,000 or more made up of life insurance, annuities and net commuted values. Life membership is allowed

after five years earned qualification out of any seven years. This year's membership includes 40 life and qualifying members and five life members. There are 24 agency heads in the group.

G. Nolan Bearden, Los Angeles, is president of the association. George H. Gruendel, Chicago-Fowler, is vice-president; W. Franklin Scarborough, Philadelphia, is secretary; and Benjamin Micou, Detroit, is treasurer.

Paul Revere Puts Three Texans in New Posts

Charles B. McKenzie, Dallas manager and Texas superintendent of agencies for Paul Revere Life, since last June, has relinquished the Dallas manager-ship to devote his full time to the company's expanding state-wide operations. A graduate of University of Texas, he served as agency vice-president of Protective Life.

New Dallas general agent is T. M. Rea, who entered the business in 1931 with Mutual Life. He served as district manager for 12 years at Jonesboro, Ark., and later was with Pacific Mutual.

Wendell W. Simpson will open a new agency at Waco. He was formerly with Equitable Society and Franklin Life.

Brown Succeeds Morrell

C. C. Morrell, who was appointed agency manager for the West Coast Life at Eureka, Cal., when the office was established in 1938, has retired from managerial duties and will "work as he pleases" on personal production. He joined the company and the business in 1929 as a district agent and soon was appointed a district manager for Humboldt and Del Norte counties.

Wilfred P. Brown will succeed Mr. Morrell. He has been with West Coast since 1936, having joined it in the territory which he will now supervise.

Keller Named at Fort Wayne

Jerome J. Keller has been named district manager at Fort Wayne, Ind., for Woodmen Accident and affiliated companies.

Pearson in New Post

A. Linus Pearson, for a number of years the leading producer of Northern Life of Seattle, a former member of the Million Dollar Round Table, has been named as manager of the personal insurance department of Carroll, Hedlund & Associates, Seattle.

Swaffard G. A. at Yakima

Leonard B. Swaffard has been named general agent for Massachusetts Protective and Paul Revere Life at Yakima, Wash. He succeeds Clyde W. Willis,

who has resigned to return to personal production.

Mr. Swaffard joined the companies as a special agent in 1941. He was named general agent at Yakima in 1944. Four years later he was transferred to San Jose, Cal., as general agent. With his return to Yakima, the San Jose agency is being consolidated with the Oakland agency.

C. W. Smith Billings G. A.

Clark W. Smith has been promoted to manager at Billings by Prudential, replacing H. Kenneth Crow, resigned. Mr. Smith attended Washington & Jefferson College and joined Prudential at Cleveland in 1933. Recently he has been assistant manager at San Diego.

Winnick Named Manager

Bankers National Life has appointed William Winnick as manager at New Haven. Mr. Winnick graduated from Yale in 1934. After attending Boston University law school, he entered life insurance in 1947, specializing in estate analysis.

Clark Made General Agent

J. K. Clark has been appointed general agent in the Port Arthur-Beaumont, Tex., area by Indianapolis Life.

Mr. Clark has been home office field supervisor in Texas. He attended University of Texas, and served in the army.

Thomas G. Current has been appointed supervisor in the Penn Mutual agency at Portland, Ore. He is a veteran.

William Morrison has been appointed supervisor in the Eiber agency of Mutual Trust Life in Brooklyn. He has been in the insurance business since 1938 except for war service.

Confederation Life has named W. Arthur Hand manager at Toronto and John E. Harrison manager at the Toronto suburban branch.

L. W. Spickard, manager for Bankers Life of Iowa at Milwaukee, appointed J. F. Hinkes, formerly supervisor, assistant manager; John Sisk, formerly supervisor, special agency supervisor, and John Jackson, Marinette, a district supervisor.

Honored by Disabled Vets

William P. O'Connell, manager for Jefferson Standard Life at Silver Springs, Md., was chosen by the Disabled American Veterans as their January "Hero of the Month." When Mr. O'Connell left the army he was paralyzed and blind. Since then he has regained his sight and successfully rehabilitated himself. He is a graduate of the Purdue course.



WRITE A FOREWORD TO YOUR NEW HALF-CENTURY OF AGENCY PROGRESS

... with three outstanding life insurance films ... For use in selling, agency meetings, prospecting, recruiting, public relations, these 16mm. color, sound motion pictures are available for rental or purchase by life insurance agencies.

ONE MAN'S MEMORIES

10 minutes
Rental, \$10*; Purchase, \$100

AN ESTATE IS BORN

25 minutes
Rental, \$15*; Purchase, \$200

CASES IN POINT

18 minutes
Rental, \$12*; Purchase, \$150

*Daily rates. For longer rentals, combination rates only.

SPECIAL PURCHASE CONSIDERATION

Film purchases made within sixty days from date of rental will be credited with the rental charge.

PLEASE ADDRESS FILM INQUIRY TO OUR MOTION PICTURE DIVISION.



PAUL SPEICHER
President

THE INSURANCE
RESEARCH & REVIEW SERVICE
INDIANAPOLIS

THIS COULD BE Your STORY.....



HARRY DWORSKY, OMAHA FURNITURE COMPANY SALES SUPERINTENDENT, BECAME TOTALLY DISABLED BY SICKNESS IN 1942.



MY INCOME PROTECTION WITH LIFETIME BENEFITS HAS PAID ME \$6,112.00 TO DATE ---

Mutual
OF Omaha

More than \$250,000,000.00 paid in benefits

More than 2,100,000 Policyholders



THE WORLD'S LARGEST EXCLUSIVE HEALTH AND ACCIDENT COMPANY

AMONG COMPANY MEN

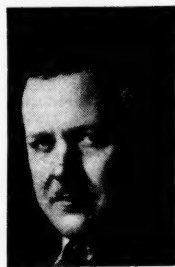
Continental Places Reeder in Full Charge of Operations

Continental Assurance has appointed Howard C. Reeder executive vice-president in complete charge of all operations. Dr. C. L. Reeder has been appointed medical director.

Mr. Reeder has been vice-president of the company. He graduated from the actuarial school of the University of Iowa in 1927 and started in the actuarial department of Royal Union Mutual of Des Moines.

Some six years later he went with Country Life of Chicago as actuary and office manager. He started with Continental Assurance in 1941 as actuary and was promoted successively to second vice-president and vice-president.

Dr. Reeder was schooled at the University of Illinois. Upon completing his internship, he immediately went into the army in which he served four years. Following discharge, he became assistant medical director and then medical director of Federal Life of Chicago and three years ago became assistant medical director of Continental Assurance.



H. C. Reeder

Name Tegtmeier Medical Director of N. W. Mutual

Dr. G. F. Tegtmeier has been elected medical director of the Northwestern Mutual Life. For the last two years, he has been associate medical director. Dr. Tegtmeier succeeds Dr. David E. W. Wenstrand, who voluntarily relinquished his duties in order to complete historical research projects before he retires.

Dr. Wenstrand went to Northwestern



Dr. Tegtmeier



Dr. Wenstrand

Mutual Life as assistant medical director in 1903, and succeeded the late Dr. John Welton Fisher as medical director in 1936. Dr. Wenstrand was president of the Assn. of Life Insurance Medical Directors in 1942.

Dr. Tegtmeier joined Northwestern Mutual in 1936 as assistant medical director, and was appointed associate medical director in 1948. He was a commander in the navy in the recent war.

Union Central Makes Shoup, Norton, Niland, Mill Officers

Union Central has elected C. R. Shoup and Harold L. Norton assistant vice-presidents; W. H. Niland assistant Comptroller; and J. Stuart Mill purchasing agent. All have been with the company over a period of years.

Robert F. Chisholm and Donald A. McIntosh have been elected directors of **Confederation Life**. Mr. Chisholm is vice-president and general sales man-

ager of Gordon Mackay & Co. Mr. McIntosh is a member of the legal firm of Fraser, Beatty, Tucker, McIntosh & Stewart.

Mutual Trust Appoints Two Vice-Presidents

Mutual Trust Life has named William O. Barts and L. A. Hultgren as vice-presidents. Thomas B. Gilmore, Chicago attorney, has been elected a director. Mr. Barts has been manager of the mortgage loan division and an assistant vice-president. Mr. Hultgren has been manager of the bond division and an assistant vice-president. Mr. Barts joined the company in 1924 and Mr. Hultgren went with Mutual Trust in 1935.

On National, Vt., Board

Laurence F. Whittemore of Pembroke, New Hampshire, who recently resigned as president of the New York, New Haven & Hartford Railroad to become president of the Brown Company at Berlin, N. H., has been elected a director of National Life of Vermont.

R. A. Stevens, supervisor of the policy service department of American Hospital & Life, has been promoted to head of the premium accounting department. He is succeeded as supervisor by Frank Pyles.

Correction on Townsend Change

In reporting in last week's issue the appointment of J. Russell Townsend, Jr., as general agent for Equitable of Iowa at Indianapolis, succeeding his father, J. R. Townsend, Sr., the backgrounds of the two men were inadvertently ascribed to Mr. Townsend, Sr.

Mr. Townsend, Jr., is a graduate of Butler and University of Pennsylvania business school. During the last war he served in the navy insurance department. He also has served in the Indiana general assembly and is a C.L.U.

Mr. Townsend, Sr., entered life insurance in 1920, joining Equitable in 1922. He was a prime mover in the establishment of the Purdue school and inaugurated the caravan sales congresses in Indiana. He is an alumnus of Wabash College.

Irving Weinberg, Connecticut General, New York City, has qualified for the Million Dollar Round Table for the third time.

AGENCY NEWS

Aetna Home Office Men at Kasche Agency Meet

Kasche & Kasche, general agents for Aetna Life at Milwaukee, conducted their annual agency staff meeting for Wisconsin and upper Michigan agents. On the program were Clark F. Smaha, field supervisor, who spoke on "Employee Welfare Plans"; Dr. Edwin White, R. & R. Service, "Programming and Estate Planning"; Paul Rogers, assistant secretary, "Accident Insurance"; Donald E. Hanson, superintendent of agencies, "This Business of Prospecting"; H. E. Kasche, "You Can't Sell From an Empty Wagon," and E. P. Kasche.

Mage Holds Annual Dinner

The Northwestern Mutual Life agency of John R. Mage at Los Angeles at its annual banquet honored C. P. Carey, leader in volume and in lives, and E. A. Erickson, quality award winner. Reese H. Taylor, president of Union Oil Co., was the principal speaker.

The Mage agency has \$140 million insurance in force. The agency person-

nel includes 15 C.L.U.'s (five of them new in 1949), and five Million Dollar Round Table members. Attending the dinner were 70 agents, 20 of the office staff, 15 of the medical staff and four attorneys.

Jernigan Has Annual Meet

At the annual meeting of the Paul Jernigan Kansas agency of Penn Mutual, Wichita, W. C. Norton, assistant county attorney, spoke on "The Laws of Descent and Distribution." W. E. Mechenstek, district manager, Oberlin, gave a sales demonstration and Maurice Coulson conducted a panel on "Proper Method of Approach and Close." James Loveland discussed the National Service life dividend. A banquet closed the session.

Buckman Agency Honored

The Buckman agency of Milwaukee, which for the fifth consecutive year led all agencies of Old Line Life in paid sales, with a total volume of \$2,543,000, was honored at a company dinner. President J. H. Daggett presented the Big Ten trophy, Old Line's top award. H. R. Buckman led for the 10th consecutive year in personal production of paid for

business, largest volume of premiums and number of lives.

Holds Yearly Luncheon

H. L. Woods agency of Mutual Benefit Life at Hartford held its annual luncheon. The agency's 1949 production was more than \$4.5 million.

F. L. Crowell, district manager at Norwich, who led the agency in production, spoke, as did G. A. Tracy and J. Vogel, both of Hartford.

The L. D. Carter agency of National Life & Accident at Wichita held its annual meeting. J. E. Wills, vice-president, and S. G. Glover, midwestern territory manager, represented the home office.

Howard F. Lyons agency of Midwest Life at Denver for the third consecutive year led the company.

William B. Minehan, assistant secretary Northwestern Mutual Life, will speak at the dinner meeting of Detroit Life Insurance & Trust Council Feb. 8 on "Meeting People's Estate Problems Head-On."

The KEY TO SECURITY



A Key to Success
for
Equitable of Iowa
Field Underwriters

Equitable Life of Iowa's field underwriters have enthusiastically endorsed the Key to Security, the Company's new and simplified method of life insurance programming. With a professional approach that is easy to understand, the Key to Security clearly defines the prospect's life insurance program requirements and graphically portrays the solution to his estate problems.

This new method of programming is consistently demonstrating its effectiveness as an aid to career life underwriting for Equitable of Iowa field men.

A three months survey indicates:

- Highly satisfactory results from the new Key to Security direct mail approach.
- A better than average ratio of sales per interview.
- 547 Key to Security sales totaling \$7,113,543.
- An average size policy of more than \$13,000.

Those are four excellent reasons why Equitable of Iowa field underwriters know that the Key to Security is their Key to Success.

EQUITABLE
LIFE INSURANCE
COMPANY of IOWA
Founded 1867 Des Moines
OVER ONE BILLION LIFE INSURANCE IN FORCE

NEWS OF LIFE ASSOCIATIONS

Program Given for Feb. 17 Tri-State Sales Congress

CINCINNATI—At the annual tri-state sales congress sponsored by the Cincinnati Life Underwriters Assn. on Feb. 17, Lloyd H. Feder, manager of Reliance Life, Cleveland, will open the meeting with an address, "Money for Sale." Following this, there will be ordinary and combination company sessions. On the ordinary program will be R. Earl Denman, Pacific Mutual, Cincinnati, "The Green Light to Success," and John H. Jamison, general agent Northwestern Mutual, Chicago, "Opportunities Unlimited." Combination speakers are W. G. Rodersheimer, Western & Southern, Cincinnati, "Prospecting Among Present Policyholders"; Arthur E. Hild, field training consultant, Prudential, "Selling Through Simple Program"; Harry R. Waller, field training instructor, Metropolitan, "How Does One Go About Getting the Job Done?"

The afternoon session will be devoted to a personal estate planning forum, in which the following will participate:

L. B. Penin, assistant general agent of Fidelity Mutual; Judge C. H. Davies of Hamilton county probate court; M. D. Conklin, personal estate consultant of Champion Paper Fibre Co.; Joseph H. Head, attorney of Graydon, Head & Ritchey; Joseph E. Meek of L. E. Willig & Co., accountants.

Grove Patterson, editor-in-chief of the Toledo Blade, will speak on "The World at the Moment" at the luncheon.

Osler Calls NSLI a System of Minority Group Subsidy

Declaring that National Service Life insurance is not insurance but merely a system of "tax subsidized benefits for a minority group," R. W. Osler, editor Life Insurance Salesman, urged members of Indianapolis Assn. of Life Underwriters to take the basic issue to the public, "which is whether we should have such a system in peace as well as in war, for the able-bodied as well as for those rendered uninsurable by reason of service."

"You cannot accept a subsidy without accepting control," he stated,

"whether that subsidy be farm prices, tariffs, social security, or NSLI."

Mr. Osler predicted that the 1950's would see life insurance "the last stand of democracy in the United States. If life insurance fails; if we fail to sell life insurance; then the last way to private security is gone, and democracy in the United States is done."

Mr. Osler said he believes that in the new decade, production levels by dollar volume will remain high; increased social security and mass selling will not hurt personal production; the mental attitude of the agent who has become accustomed to "fantastic levels" of production will be the biggest danger point; the importance of the agent will be more widely recognized; the selling pattern will change from a logical presentation to "an appeal to the heart"; and that life insurance will be "the ground on which will be fought the last, decisive battle for democracy."

Pa. Assn. Names Brooke as Executive Secretary

James F. Brooke, Jr., has been appointed executive secretary of Pennsylvania Assn. of Life Underwriters. He graduated from West Point in 1929 and spent three years in Africa, Italy, France, and Germany. Since the war he has been in charge of editing and producing of all publications for the signal corps. He has had wide experience in personnel organization. He will assume his new duties about the middle of this month.

Greater Sales Opportunities

Increased longevity and higher cost of living have created a greater market for life insurance, William J. Sieger, vice-president and superintendent of agencies of Bankers National Life, said at a luncheon meeting of Lakeland Life Underwriters Assn. at Morristown, N. J. He was comparing the future of life insurance as seen in 1950 compared to 1900. Men now can expect to live much longer than they did then, he said, and consequently must be more concerned about retirement and how to prepare for it.

With the public being conditioned for the sale of insurance and knowing its needs, opportunities in life underwriting are now greater than ever before, he said. Policies, forms, and options have improved. Though living costs have increased with the earnings of workers, the latter still have more disposable income, he said, and more money to put into life insurance than was the case years ago.

To Welcome New Members

New York City Life Underwriters Assn. will hold a get acquainted meeting Feb. 9 to welcome new members and their wives to the association. Speakers include Donald F. Barnes, Institute of Life Insurance, on "Doing More of What the Public Wants;" Mrs. Mitchell E. Saunders, whose husband represents the Mutual Benefit Life, on "How I Can Help My Husband Become a More Successful Life Underwriter;" Jack R. Manning, executive manager of the association, on the benefits of association membership. The program will conclude with the showing of the film "For Some Must Watch." George B. Coleman, Massachusetts Mutual, chairman of the board of field underwriters of the association, is chairman of the meeting.

Texas, Local Assn's Meet

Texas Assn. of Life Underwriters held a directors' meeting at Dallas which was attended by officers of 18 local associations. Committee reports were made and various problems of the association discussed.

C. S. Perkins, Jr., Southwestern Life, Sweetwater, was given authority to form a local association there. Suggestions were made that local associations furnish publicity releases to their newspapers in an attempt to help the buyers of life insurance know their agent.

Celebrate 25th Anniversary

NEWARK — Elaborate preparations have been made by Life Underwriters Assn. of Northern New Jersey to celebrate its 25th anniversary with a dinner and reception Feb. 15.

State and city officials have been invited to attend. An attendance of more than 300 is expected. There will be a cocktail party before the dinner.

Columbus Bar Assn. has appointed a life underwriters committee. Homer Trantham, who is secretary of Insurance Federation of Ohio and other groups, is a committee member.

Victoria, B. C.—K. A. Wills, Manufacturers Life, has been elected president. Vice-president is D. Lawton, Great-West Life; secretary, C. B. Mooney, North American Life; treasurer, W. J. Farnsworth, Sun Life.

Staunton, Va.—J. A. Patterson, president of the Virginia association, spoke at a meeting of the Valley association, Jan. 27.

Seattle — Karl K. Krogue, Business Men's Assurance, Spokane, president of American Society of C.L.U., was the speaker.

Gary, Ind.—Arthur Hornik, president of the Calumet association, who has been Gary manager of Equitable Society, is leaving for Fresno, Cal. Everett Kellaway, Gary manager of John Hancock, succeeds him as president.

Newport, Ark. — White River Valley Underwriters Assn. has been formed here. Officers are: F. H. Jones, president; J. W. Parish, vice-president; Dillard Fife, secretary, all of Newport.

Pittsburgh—Paul F. Jimirro, manager for Metropolitan, discussed "Putting the Shoe on the Other Foot" at a meeting of the Butler branch. On Feb. 7, H. W. Reynolds, assistant manager for New York Life, will address the Fayette county branch on "Selling Interviews." The Washington branch on Feb. 8, will hear W. F. Vanderbrook, associate manager of Reliance Life, on "How to Dramatize the Sale of Life Insurance." John D. Kelleher, manager for Sun, will tell the New Castle branch how to "Sell the Reserve" at a meeting on Feb. 9.

Kalamazoo, Mich.—Insistence that the public be apprised of the fact that the so-called "dividends" now being paid war veterans are financed by the taxpayers featured a talk by J. Matt Chandler, association president. Lantz L. Mackey, Detroit, talked on business insurance in its various phases.

Dubuque, Ia.—Mrs. Marion Stevens Eberly, director of the women's division of Institute of Life Insurance, spoke on "Women, What Are They Up To?"

Mrs. Eberly said women's participation in life insurance will grow as women

COMPLETE PERSONAL INSURANCE COVERAGE

- LIFE • HEALTH
- ACCIDENT
- HOSPITALIZATION
- MEDICAL and SURGICAL REIMBURSEMENT
- GROUP • FRANCHISE
- BROKERAGE
- REINSURANCE

"REGISTERED POLICY PROTECTION"

REPUBLIC NATIONAL LIFE INSURANCE COMPANY

THEO. P. BEASLEY, President

DALLAS,

TEXAS

SOUND—SAFE—REAL ESTATE—LOANS

San Francisco & Oakland, California Area
Inquiries Invited—Complete Service

A. J. BOCK CO.
MORTGAGE BROKERS

345 Franklin St., San Francisco 2, Calif.
Hemlock 1-6273

Agents — THESE POLICIES PRACTICALLY SELL THEMSELVES!



FOR FULL DETAILS WRITE
NORMAN B. ANDERSON, Supt. of Agents

Even the best salesman needs a popular product. You know when you sell what the public wants, you sell *more* and make *bigger* commissions.

One of Our Terrific Sellers:

10 yr. Term Policy, guaranteed renewable for as long as the insured wants to carry it . . . and at unusually low premiums.

Reliance Mutual is a stable, old-line concern of great prestige. We write complete personal insurance — Life, Accident and Hospitalization. Don't wait! Write today and find out how you can earn those bigger Reliance Mutual commission checks.

RELiance MUTUAL LIFE INSURANCE COMPANY

OF ILLINOIS

AN OLD LINE LEGAL RESERVE COMPANY

105 W. MADISON ST.

CHICAGO

An Emblem



of Distinction

Sound business management and very low mortality have given Lutheran Mutual the distinction of being one of the very lowest net cost companies in the United States.

Inquiries, regarding agency openings, are invited from Lutherans.

LUTHERAN MUTUAL LIFE INSURANCE COMPANY

Waverly, Iowa

learn
their
grow.

Nash
dent a
can U
earn e
buy li
which
you an
est rat
lar thr
less."

Ch
officer
describ
"on the
fields r
mainte
an este
The
Baker,
in Chal
Preside
Sam E.
on his

Koko
erson
Backbo
ness" b
tion, sa
last ye
time c
means
less tha

Great
associat
Mutual
"Prospe

Fargo
socializ

Pacific
group o
O'Toole
Hancock
New Je

Paul J
Penn M
class at
Closing.

WA

Young man
medium si
accident a
ing to offic
able, with
or underw
background
procedure
man. Write
175 W. Ja
full details

Opportunity
national broker
life group o
as assistant
with broker
ence in life
In reply gi
previous ex
Y-47, The N
Blvd., Chic

20 years b
group repres
ager and st
to present
ational Under
cage 4, Ill.

A California
peny is seek
over 40 years
in this busin
perience hist
confidentially
Address Y-
W. Jackson

An aggress
is intereste
Agents con
Health and
Address Y-5
175 W. Jack

ary
rations
writers
o cele-
dinner

een in-
f more
l be a

inted a
Homer
Insur-
other

anufac-
-ident.
-West
North
Farns-

presi-
spoke at
cination,

business
of as the

ident of
as been
society, is
Kella-
tancock,

Valley
ed here.
t; J. W.
ife, sec-

manager
ing the
eting of
H. W.

or New
Fayette
reviews."

8, will
te man-
Dram-
John
will tell
Sell the

that the
that the
g paid
he tax-

Chand-
antz L.
ness in-

Stevens
division
spoke on
"one"

icipation
women

RAGE

AL

SE

TECTION

AL

E

TEXAS

LOANS

a Area

vice

all.

learn more about life insurance and as their economic responsibilities in society grow.

Nashville—Eber M. Spence, vice-president and director of agencies of American United Life, declared that "our modern economy is literally driving men to buy life insurance because of high taxes, which are going to be here as long as you and I live and because of low interest rates which means the invested dollar through necessity will earn less and less."

Chattanooga—Carroll P. Jones, trust officer of Trust Co. of Georgia, Atlanta, described life men and trust officers as "on the same team, so close are the two fields related in the initial planning, the maintenance, and the final settlement of an estate."

The association honored Warren E. Baker, for 60 years in insurance, 56 years in Chattanooga, all with New York Life. President Beryl Kemp congratulated Sam E. Miles, Provident Life & Accident, on his election as president of L.I.A.M.A.

Kokomo, Ind.—Charles Fridlin of Jefferson National Life in speaking on "The Backbone of the Life Insurance Business" before the Howard County association, said the average American family last year made \$5,200 and at the same time carried \$4,600 insurance, which means that the insurance carried was less than one year's income.

Great Bend, Kan.—The Central Kansas association heard Paul Jernigan, Penn Mutual general agent, Wichita, discuss "Prospecting."

Fargo—W.E.G. Lancaster spoke on socialized medicine.

Pacific Mutual Life has opened a group office in Newark under James H. O'Toole. He was formerly with John Hancock. The office will have charge of New Jersey and eastern Pennsylvania.

Paul Jernigan, Kansas general agent of Penn Mutual, spoke before the S. M. U. class at Dallas on "Prospecting and Closing."

WANT ADS

WANTED

Young man looking for advancement, to join medium sized midwest company doing life and accident and health business, in capacity leading to office manager. LOMA fellowship preferable, with some experience either in actuarial or underwriting departments. Must have good background, education, and be capable of procedure studies. Good opportunity for right man. Write Box Y-44, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., giving full details.

REAL OPPORTUNITY

Opportunity for advancement in a large national brokerage house with a well developed life group and accident and health department, as assistant in their life department working with brokers and on direct accounts. Experience in life group and pension fields desirable. In reply give full and complete background of previous experience in the business. Address Y-47, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

POSITION WANTED

20 years broad experience including six as group representative and five as agency manager and state supervisor. Age 42. May refer to present employer. Address Y-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

A California mutual legal reserve life company is seeking a manager of agencies, not over 40 years old, with an excellent background in this business. In writing give complete experience history. All inquiries will be treated confidentially.

Address Y-45, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

An aggressive organization in California is interested in obtaining a General Agents contract to write Accident and Health and Hospitalization insurance. Address Y-50, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ACCIDENT AND HEALTH

Speakers Announced for Pittsburgh Sales Congress

A notable array of speakers has been lined up for the sales congress of Pittsburgh Assn. of A. & H. Underwriters to be held Feb. 20, starting at 2 p.m.

The afternoon program will include Harry E. Ritter, district manager in Philadelphia for General Accident; William Washburn, executive vice-president of American Health; W. B. Cornett, vice-president Loyal Protective Life, and Darrell O. Smith, vice-president American Casualty. Following their talks there will be a sales demonstration.

The banquet speaker will be E. H. O'Connor, Insurance Economics Society.

Has New Family Policy

Lumbermen's Mutual Casualty has introduced a family hospitalization policy to start daily benefits on the third day of hospitalization for sickness, or in case of accident benefits would be payable from the first day.

The plan would allow a family of three to buy coverage for as little as \$6.80 a quarter, and surgical fees could be covered for an additional \$4.90 and would be payable regardless of hospitalization. The policy goes in force 15 days after issue for sickness and on the first day for accident. The insured can stay in the hospital, receiving full benefits, for 100 days.

Lumbermen's explains that the policy is designed to cover catastrophic loss and allow families to pay the one and two-day trips to the hospital themselves. The company states that hospital insurance rates are kept relatively high by short hospital stays.

In case of sickness, hospital charges other than board and room, are covered from the first day. Premium rates are not increased if there are more than two children in the family and rates are not increased at the age of 60.

Wind Up Mass. Hearings

The Massachusetts interim committee that is studying the question of setting up a state monopolistic TDB system in Massachusetts held its final meeting at Boston at which the only witness was Msgr. O'Grady of the National Catholic Welfare Council of Washington. Msgr. O'Grady took a strong stand in opposition to the state fund idea, and his testimony was given front page publicity in the Boston papers.

The governor has publicly supported the state fund plan and the committee is thought to be somewhat of that frame of mind. Its report is due March 1.

More Ohio Speakers Listed

Speakers at the annual meeting of Ohio Assn. of A. & H. Underwriters at Columbus April 14, in addition to those already listed, include Alfred K. Perego, Wisconsin National Life, Milwaukee, member of the International association, executive board, and Lloyd H. Feder, Reliance Life, Cleveland, past president of the Ohio association.

Reports Claim Trend Higher

MINNEAPOLIS — Claims paid in 1949 by North American Life & Casualty, Vice-president Bert Odell states, were 23% more than in 1948 and 44% more than in 1947, and he expects that trend to continue.

Gov't Help Depreciated

A. & H. Underwriters Assn. of Los Angeles heard Municipal Judge LeRoy Dawson emphasize that the more government help is given the people, the more they will expect government to continue to give.

He related some war experiences overseas and the way the government

cared for the men in every way, depreciating the effect that this had on them.

Kansas Congress Feb. 18

Kansas Assn. of A. & H. Underwriters will hold its sales congress at Wichita Feb. 18, with a luncheon and afternoon session. Robert R. Tyler, Loyalty group, association vice-president, is general chairman.

Kaiser Detroit Speaker

At the meeting of Detroit A. & H. Assn. Feb. 14, Fred A. Kaiser, vice-president Detroit Stove Co., immediate past president of Detroit Sales Executives Club, will speak on "The Human Element in Selling."

Supervisor's Guide

At the meeting of Detroit A. & H. Assn. Feb. 14, a "Supervisor's Management Guide" composed of articles by 17 industrial and business executives and educators who are leaders in this field. It is aimed at managers, junior execu-

tives, conference leaders, supervisory staffs and men "on their way up".

The material is of top quality and is so arranged as to provide the supervisor with a reference guide as well as a systematic course in dealing with employees and getting the best results for the job. The articles include ones on the 10 basic principles of sound human relations, developing morale and reducing absenteeism, what makes a successful executive and supervisor, how to communicate effectively by speaking and otherwise, successful conference leadership, self-analysis quiz for supervisors and executives and the policies and goals of management in the U. S. There is in addition a "human relations" reading list.

Make Conn. SBLI Drive

HARTFORD—A drive to expand the savings bank life insurance system in Connecticut has been announced by Walter E. Rapp, secretary and general manager of the fund.

A series of panel discussions is to be held at group meetings, with the 57 savings banks in the state represented. The discussions will try to encourage more banks to offer life insurance to the public.

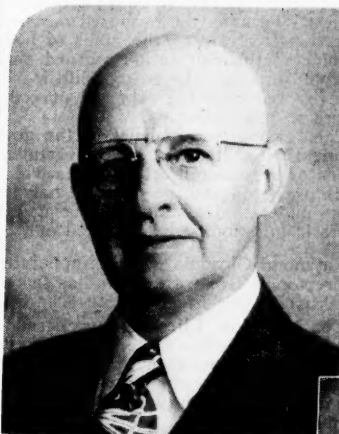
The Friendly Company of Distinction

presents

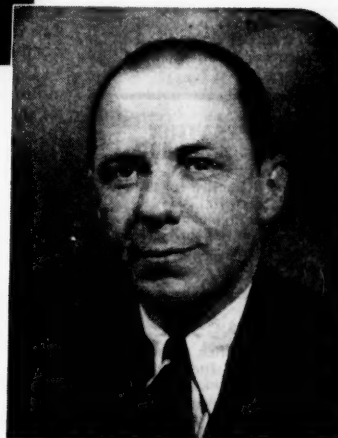
The ROLL CALL

of

*Q-MEN



S. C. BABER



D. C. BOYER

* Quality Award Winners selected yearly by The National Association of Life Underwriters and the Life Insurance Agency Management Association.

S. C. Baber joined the J. W. Millholland Agency of Columbus, Ohio in 1916. Through the years, Mr. Baber has steadily maintained a high place among the Company's leading representatives.

D. C. Boyer has been an associate of the Geo. Wade Agency, Harrisburg, Pa., for the past twelve years. Besides the National Quality Award, he has won many ONLI honors as a successful underwriter.

The OHIO NATIONAL
LIFE INSURANCE COMPANY, Cincinnati, Ohio

NEWS OF LIFE COMPANIES

Life of Georgia to Boost Stock 100%

A proposal to declare a 100% stock dividend to stockholders of record February 1 was approved at the annual meeting of Life of Georgia. It would raise the capital to \$12 million. The directors propose to declare dividends aggregating \$2 per share on the 600,000 shares which would result from the 100% stock dividend. Formerly, the company paid \$3.50 per share on 300,000 shares.

Insurance sold in 1948 amounted to \$147,350,425. Insurance in force is \$1,175,942,707. Assets increased by \$18,590,892, the largest increase in any year, reaching \$238,351,703.

Joost Led Provident Mutual

Robert H. Joost, San Francisco, led Provident Mutual agents in 1949 with a paid production of over \$1 million. He joined the Provident in 1945 after having served in the air force and has qualified for every meeting of the company's top production clubs since then.

United L. & A. Doubles Dividend

United Life & Accident of Concord, N. H., has declared an annual dividend of \$4 a share payable Feb. 10 to stock of record Jan. 31. Last year the dividend amounted to only \$2 a share and prior to that the rate was \$1.

The company is now engaged in litigation with Georgia and Texas interests that are seeking to purchase control of the company. Those interests have an option on 4,182 shares of United L. & A. stock that is held by Shenandoah Life, and they are seeking to get an additional 7,000 shares in order to get in control. They are seeking to compel United Life & Accident to divulge to them its list of stockholders. That is what the court fight is about.

Equitable Managers Blast Tax Bill

A pending joint resolution before the House of Representatives proposing a retroactive tax on the income of life companies for 1947-49, was condemned at the Boca Raton convention of the agency officers and managers of Equitable Society. Terming the proposed measure a "retroactive raid on the funds of policyholders" the convention warned that it would increase the cost of life insurance by reducing the capacity of companies to pay dividends.

The "easy-money policies of the government" resulted in low investment yields of life insurance companies which therefore produced no taxable net income under the existing law during the years in question, it was pointed out.

Raymond Gleadall has been appointed a director of Home Life. He has served as assistant treasurer since 1946.

Confederation Life has purchased a future head office site at Toronto on Bloor street between Jarvis street and Clifton road. Construction will not begin immediately, though plans are now being formulated.

Continental American Life has announced an increased quarterly dividend of 50 cents payable Jan. 31 to stockholders of record Jan. 23.

National Life & Accident has begun work on erection of a branch office building at Shreveport, La.

Elected to serve on the general agents' advisory committee of Connecticut Mutual Life are D. Conrad Little, Norfolk, Floyd A. Rosenfelt, Toledo, and A. Van Pritchard, Memphis.

POLICIES

N. W. Nat'l Has Income Disability, F. L. to 65 Rider

Northwestern National has reentered the income disability field with an advanced form of coverage. It has also added a family income rider to age 65.

The income disability benefit provides an income of \$10 a month for each \$1,000 of initial amount of insurance, decreasing to \$5 a month after the policy anniversary nearest age 65. Disability must occur before age 55 and there is a six-month waiting period. It can be had with all policies except 5, 10 and 15-year term and elective annuities. The extra premium ceases at age 55.

With the new clause, rates have been set at a practical, realistic level commensurate with the service involved, and underwriting standards are considerably more strict than for applicants for life insurance without the income disability waiver.

The new disability feature has been

designed for professional and salaried persons who depend primarily on earned incomes for a livelihood and will be offered only to very carefully selected male risks ages 18-50. Disability payments will continue during the insured's lifetime as long as he is disabled, but with endowment and income endowment policies the income disability period will be no longer than the endowment period.

The new family income rider, issued between ages 20 and 55, provides \$10 of income for each \$1,000 of basic policy from the insured's death until he would have been age 65. It is convertible as of the insured's attained age. It will be issued with all policies except 5, 10 and 15-year term, elective life, elective annuity, and elective income endowment, plan A, provided premium payments under the basic policy continue to at least age 65.

The new rider has the advantage that in combination with a base policy it provides a simple, complete family program all in one contract. In addition, the conversion privilege permits the buyer to increase his retirement values as circumstances permit in later years.

Lamar Life has adopted new rates, values and policy forms on the CSO table with interest at 3% on most forms, 2½% on others.

Pioneer Mutual Life has recently changed its limits on mortgage redemption insurance to provide that instead of \$4,000 of mortgage redemption to each \$1,000 of basic insurance, the applicant may apply for an unlimited amount of mortgage redemption on a basic \$1,000 standard policy.

TDB All-Industry Group Set Up in Ohio

There has been set up in Ohio an all-industry committee on disability unemployment insurance legislation and this newly organized group had its first taste of action Monday, when the nine-man interim legislative committee on TDB legislation held its first hearing at Columbus. Heading this all-industry group is Clarence L. Peterson, vice-president and general counsel of Ohio State Life. Each of the members represents an insurance organization.

The members include W. G. Alpaugh, president of Inter-Ocean; W. T. Craig, Cincinnati manager of Aetna Life; Harold Swisher, Columbus manager of Mutual Benefit H. & A.; T. M. Gray, manager of Ohio Assn. of Insurance Agents; Ellis R. Roberts, Springfield, Ohio local agent, representing mutual companies; Fred I. Sipp, Hartford Fire; M. John Wine, Loyalty group; C. L. Mittman, Clark County Farm Mutual Protection & Aid Assn.; Ray H. Miller, manager Underwriters Service Assn.; Oscar Ruffing, Columbus manager of Travelers; Clarence England, State Auto Mutual of Columbus; Frank B. Mallett, Protected Home Circle.

J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, attended the Columbus hearing Monday. Then he went to Chicago.

Those appearing Monday included E. H. O'Connor, Insurance Economics Society; Elizabeth Magee, Consumers League of Ohio; Robert Wells, Ohio Citizens Council; Walter Mackey and Frank Manak, Ohio Manufacturers Assn.; Paul Daugherty, Ohio Chamber of Commerce; Homer Evans, N. W. Ohio Welfare Directors Assn.; Ed Tretunski, Cleveland Chamber of Commerce; Phil Hannah, Ohio Federation of Labor; Fred Tapfer, Cleveland Federation of Labor; Jacob Clayman, Ohio CIO.

Some of the speakers favored disability unemployment insurance, others declared there is no need for it in Ohio, in view of all the plans now under way to the care of such persons.

Dr. Donald B. Armstrong, 2d vice-president of Metropolitan Life, has been reelected president of the New York Tuberculosis & Health Assn.

Beebe Financial Consultant

Dwight S. Beebe, who retired as vice-president of Mutual Life in 1948, has



D. S. Beebe

joined Wood, Struthers & Co., New York City as a consultant in connection with direct financing proposals which this firm may handle as agent and offer to life companies.

Mr. Beebe joined Prudential in 1922 in the bond department and became its manager in 1926. In 1928 he went with Mutual Life as vice-president and financial manager. He reorganized the treasurer's department. He is a brother of David C. Beebe, chairman of U. S. Aviation Underwriters.

L. W. Bauerle, local agent, has been named president of Wichita Council of Churches. Levi B. Rymph, Columbian National Life general agent, is secretary.



SUPERIOR SERVICE on Group Insurance

Through our wide variety of group plans alert employers are provided opportunity to make available to their employees low-cost life insurance, retirement annuities, hospital and surgical insurance, and accident and sickness benefits.

Life of Virginia was a pioneer in making group services available to firms having as few as twenty-five employees (state laws permitting). These services are offered on the same rate basis as larger cases.

LIFE Insurance Company of VIRGINIA

Established 1871
Richmond, Va.
Robert E. Honley, President

FOUR ANSWERS for the AMBITIOUS LIFE UNDERWRITER

QUALITY COMPANY . . .

top rated mutual...over half century service...over three hundred millions insurance...over one hundred million of assets...over eight million in surplus...one of the very lowest net cost positions...full level premium reserve basis...modern...zero to age 65...streamlined policies...sub standard facilities...direct home office collection of premiums.

QUALITY COMPENSATION

very unusual, and well vested General Agents contract...generous and attractive for the career life underwriter...with extra automatic financing commissions...pays well for quality men and General Agents...a fine pension plan.

QUALITY TRAINING . . .

two week home office schools, refresher schools, for career men...constant group training for both young and veteran General Agents...in selection...recruiting...training...and supervision techniques.

QUALITY TERRITORY . . .

often possible for the ambitious life underwriter who wants to build two or three quality men, or more, right in his own territory.

CENTRAL LIFE ASSURANCE SOCIETY MUTUAL IOWA

1896

1950

One of the best

"Guilty" Is Verdict in Mail Fraud

(CONTINUED FROM PAGE 1)

"all the above is clearly stated in this amazing Arcadia policy," Mr. Ryan said that this was just a hole for the company to crawl out through and added, "The man who thought those words up and used them had deceit in his heart." He pointed out that the company's instructions to buyers to read their policies carefully would tend to instill confidence rather than put them on their guard. Then the company, he said, sent these policies to people in the "backwoods, bayous and mountains."

"They had been completely deluded and deceived," he declared. "These were people who believed in the sanctity of the printed word, honest people who expect other people to be honest. Those are the kind of people they sold policies to."

Recalling the testimony of one witness who underwent a leg amputation and heavy hospital and surgical expenses, Mr. Ryan made the point that \$12.50 was all he got from this "generous, true-hearted, sympathetic insurance company."

Can't Rely on Skepticism

"You can't tell people lies and then rely on them to investigate," said Mr. Ryan, adding that people are entitled to rely on representations in advertising and are under no obligation to read their policies to find out if they have been misled.

"Nothing in human experience requires you to presume that people are deceiving you," he said.

Victor LaRue, counsel for Arcadia and Mr. Sylvanus, summarized their defense, contending that the evidence showed indisputably that there was no intent to defraud. If fraud had been intended, the company would not have rejected about 10% of the applications it received, thereby losing some \$30,000 in a 10-year period. He recalled that the company's owners had put in some \$20,800 instead of paying it out in dividends, as they had a right to do. Does that sound like fraud or a con game? he asked.

Stresses Supervision Angle

Mr. LaRue repeatedly brought in the fact that the company had operated under the supervision of the Illinois department, saying at one point, "For the government to say this is a fraud, they are going to have to include the state of Illinois and I am not ready to admit the insurance department is a party to a fraud." He stressed the triennial department examinations. There must be illegal intent where fraud is involved and "How can you have illegal intent when the department says what you are doing is legal?" he asked.

As to the "sinister implications," as he called them, about the agency expense, he pointed out that it was a wise move for a small, young company to have its sales promotion expenses taken care of through a percentage of premiums rather than saddling itself with a high fixed charge.

Mr. LaRue emphasized that no policyholder had ever claimed that the company wouldn't tell him why it wouldn't pay his claim. Recalling the testimony of the government's medical expert, Dr. Edmund Foley, internal medicine specialist, that certain diseases would not involve confinement for more than the seven-day waiting period, Mr. LaRue asked the jury to examine the claim record to see how many such claims had been paid and how big they were.

In connection with Mr. Sylvanus, he pointed out that his compensation had been only \$90 a month when he started in 1938, that it was \$400 a month in 1939, and that it reached a maximum of \$650 a month. He said that if fraud had been present, there would have been an effort to milk the company and instead money was put into it.

Mr. Johnson acted as his own defense

lawyer and made much the same type of argument in his closing statement that Mr. LaRue did. He endeavored to justify the type of advertising used and insisted that what the government had proven to be false was only such minor material as "old reliable."

Rejected 70% of Claims

Mr. Ryan in his final summation emphasized that the government had not selected just a few isolated cases in picking its witnesses, for the company had rejected about 70% of all claims, which he said should be eloquent testimony of the misleading character of the advertising, while of the 30% that were paid, many were cut down to small amounts.

Mr. Sylvanus called four character witnesses to testify for him, one of them being William McKinley, former speaker of the Illinois house of representatives.

Most of the prosecution's witnesses were former policyholders whose claims had been denied or cut down to small amounts by Arcadia. In addition to Dr. Foley, the government called as an expert witness Carl Tiffany, former Illinois department actuary and now a consulting actuary in Chicago. He testified that it was possible to determine the loss ratios to the expected in connection with coverages provided under the Arcadia policies.

Paul Revere Life Ups Five Home Office Men

Massachusetts Protective and Paul Revere Life have promoted five at the home office.



T. H. Kirkpatrick

B. K. Bicknell, superintendent of claims, becomes a vice-president. He joined the claim department of Massachusetts Protective in 1928, becoming superintendent in 1940. He is a graduate of Burdett's Business College, Boston.

New vice-president of Paul Revere Life is T. H. Kirkpatrick, superintendent and actuary of the group department. A graduate of the University of Western Ontario and a fellow of the Society of Actuaries, he joined the company two years after



B. K. Bicknell



H. R. Leffingwell

being assistant actuary of London Life. He is a Canadian army veteran.

Dr. H. R. Leffingwell, associate medical director, has been named medical director of both companies. He has been with them since 1933 when he left private practice at Sharon, Pa. He succeeds Dr. John W. Abbott, recently retired. Dr. Leffingwell graduated from Allegheny College and University of Pennsylvania school of medicine. He served in the war as a battalion surgeon.

Russell M. Stobbs has been advanced from assistant to associate counsel. He is a graduate of Williams College and Boston University law school. He is a navy veteran.

Aubrey White, assistant actuary since 1945, becomes associate actuary. He had been with the Crown Life. He is a

graduate of University of Toronto, a fellow in the Society of Actuaries, and an associate of the Casualty Actuarial Society.

Mock National A. & H. President, Boyer Chairman

Thorn W. Mock, secretary and manager of the weekly premium department of National Accident & Health of Philadelphia, has been elected president to succeed J. B. Boyer, who is retiring from active service. Mr. Boyer will continue with the company as chairman.

Mr. Mock joined National A. & H. in 1920 in the weekly premium department, becoming manager in 1940. As a testimonial to his becoming president, the company has designated February as "President's Month."

Mr. Boyer started in the business with General Accident in 1908. He went with National Life of U.S.A. in 1911 as counsel for the casualty department, and in 1926 he joined National A. & H. as

vice-president and general counsel. He was elected president in 1940.

Cal.-Western Plans 100% Stock Dividend

California-Western States Life plans to declare a 100% stock dividend of \$10 par value, the same as those now outstanding, on the basis of one new share for each now held. This is in addition to a regular 50 cent dividend and a special \$1 a share dividend already approved.

Colonial Marks Puerto Rico Entry

Richard B. Evans, president of Colonial Life, was host at a reception and dinner dance in San Juan, Puerto Rico, marking the opening of the company's new agency in Puerto Rico. Edward J. Powell is general agent there and James J. Farugia is manager. Robert A. Grey from the home office will be the company's resident representative.

It took a sneeze to move a family



Bob Duncan used to sneeze his head off. The doctor suggested a trip out West. Three weeks and four western states later, Bob lost his sneeze and discovered a spankin' new world.

Writing his wife he said... "here, there's room for everyone. The schools, churches—the cultural and scenic advantages are more wonderful than anything we imagined. How soon can the family join me?"

Writing the boys at the office he said... "hundreds of business firms have moved out here. There's a boom on every day. Manufacturing, oil, mining, agriculture, livestock are piling up billions in income...and the opportunities are going begging. I'm staying!"

Our new agency expansion program is designed for qualified, successful men who are fed-up with tired, crowded communities. To such men and their families, the West fulfills the promise of a NEW way of life.

We offer these men genuine, economic SECURITY in western states unsurpassed for natural beauty.

Why not write us for complete details.

G. A. L'ESTRANGE
Vice President and Agency Director



The CAPITOL LIFE
INSURANCE COMPANY

CLARENCE J. DALY, President HOME OFFICE - DENVER

• TWO REAL OPPORTUNITIES •

A fast-growing life and health and accident company has state agency openings in two southern states.

Two capable insurance men—maybe only personal producers now—are going to find these openings their means to success with a company writing complete personal coverage, both individual and group.

Write today—in confidence—to T. D. Eilers, President, World Insurance Company, Omaha, Nebraska.

AGENCY MANAGEMENT

Waco Cashiers Organized

Austin (Tex.) Life Agency Cashiers Assn. heard reports from President Frances Stromquist and Mrs. Vonciel Shooter, past president, on the organization of a new cashiers association at Waco. Temporary officers at Waco are: Miss Jenny Barnes, Great Southern, chairman; Mrs. Payne Francis, Southwestern Life, secretary.

C. B. Albright, Great Southern, president of Austin Assn. of Life Underwriters, gave a true and false test which included time of notifying the company of the death of a policyholder, time for proof of death, the options which a beneficiary may exercise, tax on premium payments, tax on interest paid on loans, and other points including the number of companies in Texas.

Raisbeck Milwaukee Chief

C. C. Raisbeck, general agent of Washington National, has been elected president of Life Managers & General Agents Assn. of Milwaukee to succeed A. K. Perego, Wisconsin National Life. E. P. Kasche, Aetna Life, and G. A. Knutsen, Mutual Life, are vice-presidents; George L. Grimm, New England Mutual, treasurer, and Kenneth Jacobs, Connecticut Mutual, secretary.

O'Connor Speaks at S. F.

R. C. O'Connor, assistant superintendent of agencies of Reliance Life, discussed the financing of new agents at the monthly meeting of San Francisco General Agents & Managers Assn.

According to Mr. O'Connor, about 70% of those entering life insurance today are being financed. The average advance, he said, is from \$235 to \$275 per month. He added that selection is

very important in the case of financed agents because the manager can not keep them on unless they produce. Mr. O'Connor believes that an agent who requires higher financing is a good prospect because he usually is living on a higher level and his contacts are of better quality. College men rank high as compared to those with a lesser education, he remarked.

Managers Hold Parley

General Agents & Managers Assn. of Continental Assurance is holding its midwinter conference at Chicago, with Philip C. Belber, association president, presiding.

A directors' meeting was held on Feb. 2, followed by a dinner and tax forum with George I. Laikin, attorney, as the principal speaker. On Friday a business meeting features a discussion by C. J. Zimmerman, co-director of Agency Management Assn., on "Leadership in Activity."

Marshall B. Simms, superintendent of agents, will award C.L.U. keys to five agents who recently were accredited and the Agency Achievement Trophy to the outstanding agency of last year.

Leaders to Hear Pastor

CINCINNATI—Dr. Carroll Lewis, pastor of the First Methodist Church, Cleveland, will speak at the Cincinnati managers' leaders banquet Feb. 9 at the Queen City Club. The leaders in volume and lives of each agency will be honored at the dinner.

Seattle Life Managers Assn. at its second session in agency management had Walter Hoefflin, Pacific Mutual Life, as speaker.

Willis Wichita Speaker

At the Wichita managers' January meeting, Maynard Willis, educational director of Farmers & Bankers, Wichita, spoke on "Grandpa's Thrift Plan Is Out of Date."

Cleveland Leaders Honored

At a dinner given by the Cleveland managers, 72 salesmen received certificates as the leaders of their agencies the past year.

Among speakers were James H. McCullough, association president; Paul H. Roach, vice-president, and Harold A. Gordon, secretary-treasurer.

Asa V. Call, president of Pacific Mutual, at a meeting of Life Insurance Managers Assn. of Los Angeles, reviewed the taxation of life insurance companies.

Muchard Utica President

Thomas N. Muchard, Prudential, has been elected president of Utica (N. Y.) General Agents & Managers Assn., succeeding Alton Raynor. Vice-president and secretary is Thomas McGuire.

Harold Shackleton, chairman of the L.U.T.C. committee, and John Slinn, instructor, reported on the progress of the second year's class and plans were made for extension of the course.

FRATERNALS

George Yeager Now W.O.W. Assistant General Attorney

George Yeager has been named assistant general attorney of Woodmen of the World. He succeeds James A. Sturtevant, who resigned to become the fraternal's law librarian.

Mr. Yeager, a native of Spencer county, Ind., was graduated from Creighton University college of law in 1936. He practiced law two years at Ashland, Neb., was probate clerk in Douglas county court and was attorney for an Omaha building and loan association before joining the W.O.W. staff in 1934.

N. Y. Congress Meets Feb. 10

The annual meeting of the New York State Fraternal Congress takes place Feb. 10 in New York City. About 100 delegates are expected from the societies licensed in the state. Among the speakers will be Superintendent R. E. Dineen of New York and Deputy Superintendent A. J. Bohlinger; Harold H. Young of Eastman Dillon, a securities analyst who will discuss investment problems; Harry D. Margulies, attorney; Sam H. Harley, Protected Home Circle of Sharon, Pa., and John J. Gill, field training supervisor, Metropolitan Life.

Protected Home Chaplain

Protected Home Circle has appointed Rev. Carl A. Jones of Sharon, Pa., as chaplain to succeed the late Ray Goodiel. Mr. Jones is assistant works manager of the Transformer plant of the Westinghouse Electric, and is pastor of Zion Baptist church Slipper Rock, Pa. Mr. Jones has been a member of Sharon Circle since 1923, was president in 1927, and has been treasurer since 1931.

Nat'l Masonic's Assets Up

National Masonic Provident of Mansfield, O., has assets exceeding \$2.1 million, up \$100,000. Dividends on A. & H. policies were raised from 15 to 25%.

At a dinner following the annual meeting, Dr. G. B. Robinson, vice-president, presented to R. L. Walker a gold watch and chain in appreciation of his 40 years of service. He has been secretary and general manager since 1933.

E. B. Raub, president of Indianapolis Life, has been elected a director of the Indianapolis Board of Trade.

SALES MEETS

Mutual Trust to Hold Regional Meets This Year

Mutual Trust Life has scheduled its 1950 conventions in the form of regional affairs at Saranac, N. Y., Aug. 27-29, and at Lake Delton, Wis., Aug. 28-30. The qualification period is Jan. 1-July 31.

A nationwide steak and beans contest among the field force is having its climax in a series of educational meetings arranged by Stacy B. Merchant, educational director, and A. H. Neil, manager of the eastern department.

Old Line Gen'l Agents Meet

General agents of Old Line Life of America held their annual meeting at Milwaukee. President James H. Daggett reviewed the company's progress the past year and outlined plans for the future. There was a general discussion of company policies and practices, with the various officers participating. The proposed overall sales plan of the company was presented. Paul A. Parker, agency director, was in charge of the program.

Amicable District Meetings

E. E. Roberts, agency director; K. H. Easley, secretary, and J. D. Shields, assistant secretary of Amicable Life, held a series of 12 district meetings for a study of the new rate book and discussion of juvenile policies, mortgage redemption and other plans.

West Coast Life to Tahoe

Lake Tahoe, with Tahoe Tavern as headquarters, has been selected for the 1950 convention of the West Coast Life's Leaders Clubs. The dates are Aug. 27-Sept. 1.

License Independence in Cal.

Independence of Los Angeles has been licensed to write group disability insurance in California. It is capitalized at \$100,000 with \$100,000 paid in surplus. Leon W. Delbridge is president and Richard Becker, who recently resigned as deputy insurance commissioner in the liquidation division of the California department, general manager.

Wage Tax Hurts Companies

PHILADELPHIA—The recent one-quarter percent raise in the Philadelphia wage tax, now 1¼% of annual wages, greatly affects insurance companies here since most of their employees live out of town. However, the companies indicate they will not follow larger industrial firms which are decentralizing their executive offices by establishing working branches in suburban areas or in New Jersey.

Central, Ia., Ups Hawkinson

John Hawkinson has been promoted from assistant treasurer to financial vice-president of Central Life of Iowa.

New business written by the company in 1949 amounted to \$34,900,000, bringing the total insurance in force to \$301.



Comes from careful planning

STABILITY in a life insurance organization is not attained through chance. It is the result of careful planning plus a sensible and honest application of the time-tested principles of the life insurance business.

MODERN WOODMEN OF AMERICA, in its 68th year, faces the future with confidence—confidence based upon a strong sense of stability and the knowledge that a complete line of modern life insurance contracts and an alert administrative policy afford a high standard of service to insureds and their beneficiaries.

Assets exceed \$155,000,000.00

\$735,000,000.00 paid in benefits

(Claims are paid with a promptness equalled by few insurance organizations)

(Choice territory and attractive contracts for agents)

MODERN WOODMEN
OF America

EST. 1883

ROCK ISLAND - ILLINOIS

ASSETS OF OVER

\$46,000,000

**SUPREME FOREST
WOODMEN CIRCLE**

Omaha, Nebraska

SALES IDEAS OF THE WEEK

Preparedness Is Key to Sale, Says Brooklyn Panel

The agent must prepare and prepare what he is going to say and how he is going to say it before he calls upon the prospect, a panel of five agreed at a sales congress of the Brooklyn branch of New York City Life Underwriters Assn. Irving S. Bober, Prudential, was moderator of the panel which included James M. Hastie, Aetna Life; Leonard Donnelly, Metropolitan Life; Edward L. Sweedler, Union Central; Murray Malamet, Mutual Trust, and Robert F. Nark, Travelers. The summation was by Henry Marshall, general agent of Provident Mutual.

In responding to a group of questions the panel agreed that the agent must start out with the aim of rendering a service if he is to accomplish his purpose. Word pictures should be used to illustrate the motivating points. Help the prospect to define his problem and disturb him enough in the approach to make him realize its importance to him and his dependents. The panel suggested using positive questions in talking with the prospect, saying for example, "You like this plan, don't you?" Avoid giving the prospect the chance of saying no by asking him, "Do you like it?"

Have a Buy Attitude

In the presentation made after the information has been obtained and the plan prepared the agent has to take a "buy" attitude and wheedle, motivate or entice the prospect into buying. To start him on the way to buying his needs can be discussed on a minimum basis at first.

The agent is closing from the very beginning of the sale. He must go into the final interview with the attitude that he is going to close. He must be positive of this and realize that it is the ultimate objective. He can be more positive if he realizes that the problem is the prospect's, not his, and that the headache belongs to the prospect and not to him. He is merely helping the prospect to solve the problem. The prospect, gently perhaps, must be frightened enough to realize that he has a problem and must do something about it.

The agent has to be sincere in manner in his entire discussion with the prospect in order to keep the conversation in a serious vein.

The panel repeated continually the need for having a prepared technique and method, knowing what to say, how to say it, and to be prepared to overcome objections so that they can be answered and the conversation continued toward the eventual sale.

Weisberg to Postal Life

Postal Life has appointed Lewis Weisberg general agent at Albany, succeeding Arthur De Moss, who resigned recently. Mr. Weisberg was for 17 years

a district manager with John Hancock there. He is a past president of Sons of Israel.

House Passes Tax

(CONTINUED FROM PAGE 1)

the bill as "equivalent to a consent agreement or consent decree," which Congress was validating. Subsequent legislation, he said, "will require the most thorough consideration of this problem so as to be sure that we skim off every dollar that is not necessary for the solvency of legal-reserve companies."

Johnson, California, said he did not see how the Congress, even if the directors of the life insurance company want to do it, can deprive policyholders of a certain part of the moneys in trust to which their contract entitles them. Just because the companies said they were willing to pay, he declared, does not give them any legal right to carve out money that the policyholders have already earned when there was no tax due on the company's earnings.

Bill Creates New Liability

Lynch replied that policies provide holders shall only get such part of earnings as the directors or trustees may determine. Johnson spoke of a policy he holds the value of which has increased; he did not see how part of that value could be taken to pay tax. Lynch said there is no liability under present law, but the bill would create a liability.

"Congress cannot pass a law that impairs the obligation of contracts that people have legally executed, such as the life insurance contract I am referring to," Johnson insisted.

Lynch replied companies would not be compelled to break contracts, but could distribute earnings above expenses, and the tax is an expense.

Jenkins said Johnson raised a serious question, and answered it thus: The company "will have to get money out of some other funds and put in a fund to cover the gentleman's (Johnson's) purposes. In going into some other fund they will lay themselves open to an injunction from any policyholder."

Stresses Contract Violation

Eberhart suggested a mutual company would not obligate itself first to policyholders before paying taxes. But Johnson stuck to his opinion that the bill would compel companies which pay taxes that were never due, thereby violating their contract with me.

In support of his amendment referred to above, Church said "there are cases where an insurance company has represented the business of a defunct insurance company as a separate fund. It administered the business under a management-fee contract for the benefit of the policyholders of the defunct company. All of the profits and earnings were turned back to the policyholders to reduce the liens against their policies." Without his amendment, Church said, income from such separate funds would be taxable.

Lynch said that situation had not come to attention of his committee, but he accepted the amendment.

Hale took the floor again to declare the officers of a company in which he holds a policy has no right "to agree with the treasury of the United States to make gifts to it, or to pay taxes not due." To the extent such taxes are paid, a certain amount is "carved

out" of a policy which the holder has paid for, he said.

"If you go back retroactively to the year 1947, why should you not go back to 1927 or 1917," Hale asked. "Why should you not go back and impose a tax for the period before the income tax amendment to the Constitution was adopted?"

Curtis said the bill was before the House "not because of the companies' request or acquiescence, or because of their consent; it is here because of the power of the federal government to levy a tax." He protested any idea of taxation "by agreement." He "reluctantly" went along with the bill.

Crawford said "there was from a moral standpoint a taxability."

Hilbe Retires, Guardian Puts Springer in Ia. Post

Guardian Life has appointed Peter P. Springer manager at Davenport, Ia., succeeding Joseph J. Hilbe, who is retiring after 15 years as manager there. The announcements were made at an agency dinner in Davenport attended by Frank F. Weidenborner, agency vice-president, and John C. Slattery, director of public relations.

C. Craft Marks has been named field supervisor for the midwest with headquarters in Davenport.

Mr. Springer entered the business in 1943 at Davenport. He became assistant manager last year. He regularly won production honors.

Mr. Hilbe entered the business in 1918, later becoming a district manager. In 1935 he was named manager at Davenport by Guardian. In addition to his management activities, he maintained his personal production.

Mr. Marks has just completed an intensive indoctrination course at the home office. He will be traveling much of the time throughout the midwest with headquarters at Davenport. After naval service he entered the business with Guardian at Davenport.

Virginia Ordinary Setup Realized by Prudential

Prudential has realigned ordinary territory in Virginia and selected Richmond and Roanoke as its two agency headquarters. Richmond will handle sales in eastern counties with Harry S. Greene as head. A newly established agency at Roanoke under Clifton H. Robertson, will operate in the western sections.

Mr. Greene succeeds the late Lewis F. Montgomery. Mr. Greene has been with Prudential since 1940. He has served at Jacksonville and from 1946 to 1949 was manager in Miami. He has been manager at Harrisburg, Pa., for the past year.

Mr. Robertson started with Prudential in 1933 in Richmond. He was assistant manager there and acting manager from 1942 to 1945. He was appointed training consultant in the home office in 1947.

David D. West, manager at Binghamton since 1946, has been appointed head of the Harrisburg agency succeeding Mr. Greene. Alan A. Reed has been promoted from assistant manager to succeed Mr. West at Binghamton.

Mr. West returns to head the agency where he joined Prudential seven years ago. Mr. West was assistant manager at Harrisburg until 1946 when he went to Binghamton.



Assuring More Than
**ONE BILLION
DOLLARS**
OF
**FINANCIAL
SECURITY**

Serving Policyholders
from Coast to Coast

BANKERS Life COMPANY

DES MOINES

Established 1879

5 STEPS TO AGENCY SUCCESS

H. O.
TRAINING
SCHOOLS

PRIZE
WINNING
SALES
AIDS

ANNUAL
CONVEN-
TIONS

4-WAY
INCOME
PLAN

GENERAL
AGENTS
ADVISORY
COUNCIL

Write
H. S.
McConachie
Vice-Pres.

**American
Mutual life**

INSURANCE COMPANY

DES MOINES 7, IOWA

A General Agency Company

Companies' 1949 Year-end Figures Are Shown

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1949	Ina. in Force Dec. 31, 1949	Increase in Ina. in Force	Prem. Income 1949	Benefits Paid 1949	Total Disburs. 1949
Acacia Mutual	209,276,328	16,346,149	7,467,030	138,199,769	957,250,966	81,891,282	24,405,422	10,813,936	19,870,599
Bankers, Iowa	494,529,369	35,752,566	27,365,371	153,425,881	1,442,510,118	66,187,181	50,542,914	26,512,791	44,991,136
Central, Iowa	105,095,839	4,191,527	8,581,489	34,981,567	301,419,464	20,798,651	7,861,362	6,417,122	9,362,746
Continental Assurance	148,366,361	21,485,853	15,739,850	208,095,769	1,226,550,718	175,403,712	37,328,837	17,566,522	29,380,978
Kansas City Life	224,313,023	14,473,088	11,968,657	83,552,415	800,055,299	26,458,214	22,467,819	10,569,240	18,506,276
Mutual Service, Minn.	2,646,463	596,539	387,227	10,093,451	38,256,781	3,795,198	1,098,710	289,632	597,486
Ohio National	104,075,159	6,470,652	5,433,923	64,780,237	419,769,513	34,336,333	11,426,435	4,962,814	10,409,600
Ohio State	51,123,887	4,666,862	4,763,579	23,638,385	208,774,611	11,380,329	6,375,799	2,563,445	4,996,937
Peoples, Indiana	21,754,452	1,662,156	1,527,073	13,406,115	98,950,205	4,820,013	2,436,773	869,036	1,763,781
Union National, Neb.	10,929,972	2,349,439	805,038	28,585,217	99,009,560	11,854,627	3,236,305	206,038	1,374,890

ACTUARIES

CALIFORNIA

COATES, HERFURTH & ENGLAND

CONSULTING ACTUARIES

San Francisco Denver Los Angeles

ILLINOIS

THOMAS and TIFFANY

CONSULTING ACTUARIES

211 West Wacker Drive
CHICAGO 6

Telephone FRanklin 2-2633

Harry S. Tressel & Associates

Certified Public Accountants
and Actuaries

19 S. La Salle St., Chicago 3, Illinois
Telephone FRanklin 2-6629

Harry S. Tressel, M.A.I.A.
W. Wellman, F.S.A.
W. A. Mescoff, A.S.A.
W. M. Barkliff, C.P.A.
Wm. H. Gillette, C.P.A.
W. P. Kelly
Robert Murray

INDIANA & NEBRASKA

Haight, Davis & Haight, Inc.

Consulting Actuaries

ARTHUR M. HAIGHT, President

Indianapolis — Omaha

MISSOURI

NELSON and WARREN

Consulting Actuaries

915 Olive Street, Saint Louis

Central 3126

NEW YORK

Established in 1865 by David Parkes Fackler

FACKLER & COMPANY

Consulting Actuaries

8 West 46th Street

New York

Consulting Actuaries

Auditors and Accountants

Wolfe, Corcoran and Linder

118 John Street, New York, N. Y.

PENNSYLVANIA

FRANK M. SPEAKMAN

CONSULTING ACTUARY

ASSOCIATE
E. P. Higgins

THE BOURSE

PHILADELPHIA

VIRGINIA & GEORGIA

BOWLES, ANDREWS & TOWNE

Consulting Actuaries

Employee Benefit Plans

RICHMOND

ATLANTA

Gravengaard Succeeds Abner Thorp

(CONTINUED FROM PAGE 3)

of the life companies today. Because of his long service as editor, Mr. Thorp has come to be recognized as an authority, and has carried on a voluminous correspondence for many years with those who have submitted life insurance questions to him. He has a keen mind, a ready wit, and is able to express himself clearly and succinctly.

Gravengaard's Wide Experience

Mr. Gravengaard has won wide recognition in the life insurance business not only for his able editorship of the Agent's D.L.B., which has resulted in doubling its circulation, but for his practical and inspirational talks before numerous life insurance gatherings and his books, brochures, and pamphlets on life insurance selling, of which more than 275,000 have been sold. Most popular of these books are those on sole proprietorships, partnerships, close corporations and key men and his visual sales brochures on business insurance.

A Phi Beta Kappa graduate of University of Nebraska, Mr. Gravengaard had five years of graduate work in law, business, and economics, including a year at Harvard's law school and a year in its business administration school. He is a marine corps veteran of the first world war.

Mr. Gravengaard started in life insurance in 1924 at Aetna Life's home office, soon being sent to Syracuse as an agent. In two weeks he wrote two \$20,000 20-year endowments, one \$25,000 ordinary life and one \$10,000 ordinary life. Then he was sent to Boston where he duplicated his Syracuse record. He also made an outstanding cold canvass record at New York, where he went to attend the New York University life insurance school.

Established First Training Course

Returning to the home office he established Aetna's sales training and educational department. He wrote the first history of the company and its first correspondence sales training course, which was published in 1925 and proved unusually successful.

Later he instituted the Aetna's field training schools, each running three weeks, which he conducted in leading Aetna agencies. He is a graduate of Equitable Society's field school and has twice attended the L.I.A.M.A. managers' schools.

In 1925 Mr. Gravengaard addressed the National Assn. of Life Underwriters annual convention at Kansas City and he has spoken before many leading associations in the United States and Canada.

Requesting an agency appointment, he was made Aetna general agent at Columbus, O., in 1926. In 1931 he became Toledo general agent of New England Mutual. He is a past president of the Columbus and Toledo life underwriters associations and was active in founding the Toledo managers' association. He joined the National Underwriter Company as associate editor of the Diamond Life Bulletins in 1943 after 19 years of practical experience in the life insurance business.

St. Clair with D.L.B. Three Years

Mr. St. Clair joined the Diamond Life Bulletins three years ago as associate editor. Since last March he has been largely responsible for getting out the Agent's D.L.B. Service.

A C.L.U., Mr. St. Clair graduated from DePauw University in 1922 and did graduate work at Columbia University. For six years he was with the National City Bank of New York at the head office and in Buenos Aires and for two years was in security sales work in New York.

Mr. St. Clair started in life insurance in 1930 at Lincoln National's home office in policyholder service and sales work. For two years he worked on business of the former Northern States Life, which Lincoln National had taken over. He

went to New York City in 1936 with Life Office Management Assn. to take charge of the nation-wide education program of the L.O.M.A. Institute. In 1942 he went to Reliance Life's home office at Pittsburgh to handle policyholder service work and have charge of agent's training.

Mr. St. Clair is exceptionally widely acquainted in the life insurance business, both in the home offices and in the field.

Mr. Wohlgemuth's Background

Mr. Wohlgemuth joined the National Underwriter Company at Cincinnati in 1930 following graduation from University of Michigan. He traveled for the state handbooks and worked on the Argus Fire and Casualty Charts published by the National Underwriter Company. During 1933 and 1934 he was on the editorial staff of THE NATIONAL UNDERWRITER at Chicago.

In 1935 Mr. Wohlgemuth became associate editor of the Life Insurer then called the Industrial Saesman. In 1937 he became its editor. While continuing as its editor he transferred to New York City in 1941 as assistant editor of THE NATIONAL UNDERWRITER. He returned in 1945 to Cincinnati, where, in addition to editing the Life Insurer, he has had charge of getting out the seven insurance telephone books published at the Cincinnati office and covering Cincinnati news for THE NATIONAL UNDERWRITER.

Mr. Wohlgemuth is a nephew of the late E. J. Wohlgemuth, founder and for many years president of the National Underwriter Company.

Company Reports Show 1949 Gains

(CONTINUED FROM PAGE 2)

marked increase in business. It was its second most profitable year.

PENN MUTUAL LIFE

Penn Mutual's benefit payments during 1949 were \$71,779,660. Mortality was at the lowest point in the company's history. Insurance in force at Dec. 31 was \$2,770,631,269. Assets reached \$1,240,665,624, up \$59,828,850. Net interest was 3.06% as against 3% in 1948 and an all-time low of 2.96% in 1947.

New business totaled \$234,501,732, up 2%. Of the 45,000 new policies written a little more than 25% were on female lives.

Employee benefit, retirement and salary allotment plans established during the year amounted to approximately \$29 million. Net income was \$17,309,140, of which \$11,900,000 was earmarked for 1950 dividends.

Total new investments were \$127,859,319, of which \$89,323,532 was invested in securities and \$38,535,786 in mortgages and real estate. Of the \$139,625,639 total in mortgages, more than 23.5% is invested in GI and FHA loans. U. S. governments total \$364,417,135.

PILOT LIFE

Pilot Life's insurance in force at Dec. 31, reached \$482,250,250, up \$33,861,165. New business was \$101,496,500 as against \$117,979,754. It was the fourth year in succession in which sales reached the \$100 million mark. Assets increased to \$72,490,030, up \$7,637,245 for the year. Policyholders surplus now amounts to \$9,775,000, up \$1,575,000. There is \$115.59 in assets for every \$100 of liabilities. Benefit payments were \$5,269,354. Investment emphasis continued to be on first mortgages, of which there were 1,050 loans totaling \$9,675,000. Pilot now has \$36,479,000 invested in this manner. Interest earned was 3.83% as compared to 3.62% in 1948.

PROVIDENT L. & A.

Provident Life & Accident life insurance in force rose to \$584,771,065 by the

end of 1949 and A. & H. premium income during 1949 totaled \$24,417,307. Assets rose to \$54,603,391 as of Dec. 31.

The total paid to policyholders and beneficiaries since organization now amounts to \$156,891,501. There were some 350,000 emergency income checks mailed to claimants during 1949. Claim payments during the year were made to policyholders at the rate of 1,386 each working day. There are \$24 million in bonds in the portfolio and \$22 million in mortgage loans.

UNION CENTRAL LIFE

Union Central's new business in 1949 totaled \$100,993,000 up 5.6%, and the assets increased \$20,859,925 to reach \$625,508,329, while \$1½ million was added to surplus bringing policyholders surplus to \$19,370,527.

Insurance in force gained \$27,114,847 to reach \$1,395,423,415. The investment portfolio includes bonds 64% of assets; mortgage loans, 23%; policy loans, 4%; real estate sold on contract, 3%; cash, 1%. Included in assets is \$991,025 held to pay for stock surrendered pursuant to the mutualization plan and \$1,707,180 capital stock deposited with trustees under the plan. Policyholders' surplus totals \$19,370,527 up \$1,507,721. Reserves include \$8 million for asset fluctuations and other contingencies and \$198,205 for capital stock retirement.

CROWN LIFE

Crown Life's insurance in force at Dec. 31 was \$665,890,269 as against \$587,890,989 a year earlier. New policies issued totaled \$114,900,577 as against \$128,599,164. The total in force was \$682 million before the company's action in writing down sterling currencies to the new official rates. Assets rose by \$13 million to reach \$125 million, which has been written down to \$120 million for the same reason. No loss results from the revaluation because sterling assets are closely matched by sterling liabilities and surplus. During 1949 \$553,000 was added to special policy reserves; \$300,000 to policyholders dividend reserves and in addition, general surplus has been increased by \$511,000. Capital and surplus accounts rose during the year from \$8,622,350 to \$9,549,742. Benefit payments were \$8,825,615. Principal asset items are government and municipal bonds, 42%; other bonds, 15%; stocks, 9% mortgages, 22%.

CONTINENTAL ASSURANCE

Continental Assurance had \$1,226,550,718 of life insurance in force at Dec. 31, an increase of \$175,403,712. Assets increased \$21,485,852 to a total of \$148,366,360. Surplus increased \$1,881,053 to reach \$9,624,849. In addition a net increase of \$465,000 was made in contingency reserves, the general contingency reserve standing at \$1,450,000 at the year-end and the group contingency reserve at \$1,665,000. Capital remains at \$3 million.

Principal assets items are U. S. government bonds, \$26,294,669; cash, \$4,032,467; public utility bonds, \$39,611,997; miscellaneous bonds, \$24,680,417; mortgages, \$15,235,270; railroad bonds and equipment trust certificates, \$9,535,579; policy loans, \$4,699,531; home office building, \$8,127,790; real estate acquired for investment, \$2,855,476.

EQUITABLE OF IOWA

Equitable of Iowa's surplus increased in 1949 by \$1,184,168, bringing policyholders surplus to \$17,010,022, the largest in Equitable's history. New business was \$107,680,644 as against \$113,269,076. Increase in insurance in force was \$59,144,457, bringing the total to \$1,038,816,772. Premium income and that from investments reached an all-time high. Mortality was favorable. Net rate of interest was 3.15%, slightly more than in 1948.

Assets increased \$25,103,643 to reach \$399,689,418.

um in-
117,307.
Dec. 31.
rs and
now
e were
checks
Claim
made to
6 each
lion in
million

in 1949
nd the
reach
n was
holders

114,847
invest-
4% of
policy
contract,
assets is
k sur-
lization
ck de-
e plan
370,527
\$8 mil-
er con-
al stock

at Dec.
87,890-
issued
\$128-
as \$682
ction in
to the
by \$13
ich has
ion for
ts from
assets
liabili-
\$553,000
eserves;
end re-
surplus
Capital
ing the
Benefi-
principal
muni-
15%;

E
226,550-
Dec. 31.
sets in-
of \$148-
1,053 to
net in-
in con-
conting-
0,000 at
ingency
remains
S. gov-
\$4,032-
611,997;
mort-
ads and
535,579;
e office
ate ac-
6.

increased
policy-
the larg-
business
269,076-
as \$59-
\$1,038-
at from
ne high-
rate of
ore than
to reach

1. Liberal First Year Commissions.
2. Vested Renewals Unsurpassed.
3. Bonus on Quality Business.
4. Personalized Home Office Service.
5. Attractive Retirement Plan.

Openings in Virginia, West Virginia, North Carolina, South Carolina, Tennessee and Alabama. For information write:
E. DUDLEY COLHOUN, Director of Agencies.

Shenandoak Life

INSURANCE COMPANY, INC.

ROANOKE 10 VIRGINIA • PAUL C. BUFORD, PRESIDENT

Just a Minute, Please!

Agency Builders Wanted

Write in Confidence to Raymond F. Low, President

AMERICAN RESERVE LIFE

Insurance Company

OMAHA

LIFE — ACCIDENT — HEALTH — HOSPITALIZATION

A QUARTER CENTURY OF SOUND GROWTH

YOU CAN APPROACH

Prospects

WITH FULL CONFIDENCE
WHEN YOU REPRESENT

MUTUAL TRUST LIFE

in your community

● You can be certain that you are offering the best in insurance protection at a low net cost.

● You can be sure you can secure competent home office consultation if tax and estate problems are involved.

● And you know that you'll be fully compensated for both sales and service *plus* a lifetime income when you retire.

A few general agency openings available

"Nothing Better in Life Insurance"

MUTUAL TRUST

LIFE INSURANCE COMPANY

"As Faithful as Old Faithful"

Home Office: 135 South La Salle Street Chicago 3, Illinois

A 44 Year Old ... Low Net Cost Company ... With Over \$350 Million in Force ... and Over \$100 Million in Assets

CONTINUED UNEXCELLED PROGRESS

■ INSURANCE IN FORCE

■ PAID FOR BUSINESS

Year	Insurance in Force	Paid for Business
1945	\$6 MILLION	\$6 MILLION
'46	\$65 MILLION	
'47		
'48		
'49	\$121 MILLION	\$27 MILLION

THE future indicates even greater development and earnings to the Company and its agents. Keeping ahead of the times with unexcelled general agency contracts, competitive rates and plans geared to the second half of the century give our men a lead on the field. A talk with us should prove of interest to you.

PHILADELPHIA LIFE

INSURANCE COMPANY • PHILADELPHIA 7, PA.

Established 1906

WILLIAM ELLIOTT, President • BERTRAM S. BALCH, Superintendent of Agencies



WE'RE PARTNERS IN SECURITY

Says Mrs. Robert H. Porter, Detroit

It's great to be the wife of a life insurance agent! Most women's mental woes stem from their feeling of exclusion from their husband's businesses. In no other business that I know of is it possible for a wife to lead such an exciting existence, both inside and outside the home—and to gain such a sense of pride in cooperation and partnership with her husband's affairs.

I relieve Bob of the humdrum detail—maintaining lists, doing his filing, his correspondence and I take part in his business activities by entertaining prospects and clients, which is anything but a disagreeable task! Since Bob has been in the life insurance business, we have made more good friends than I ever imagined could be possible.

Then there is the all-important wife's job of maintaining a smooth-running home; seeing that my husband's clothes are immaculate; juggling the dinner hour to suit Bob's daily schedule and still reach his heart through his stomach; attending to the wants of our small son.

There's another side to this being the wife of a life insurance agent—economic stability and the faith in the future that working with Provident assures us—a faith augmented by the Company's Veteran Agents Compensation Plan. Bob and I both realize how fortunate it was that he joined this seasoned and progressive company, and we feel more confident about the future than ever.

Bob is concentrating on unselfish service, based on programming, for his clients—thus building for the future, not only on his present policyholders, but also on the many referred leads which they are proud to give him. Bob's enthusiasm is unlimited for the Provident Direct Mail Service as a supplement to prospecting. He feels it has opened many more doors for him, especially in the field of business insurance.

Yes, I sincerely believe the partnership and security which Bob and I enjoy from being in the life insurance profession with Provident is our best guarantee for future happiness.

Sales Ideas from "Provident Notes"

published by

PROVIDENT MUTUAL LIFE INSURANCE COMPANY of PHILADELPHIA, PA.